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HIGH WAGES WILL CUT PROFITS OF WESTERN FARMER

Labor Supply to Harvest the Big Crop is Problem

OUTLOOK UNCERTAIN

Attitude of Labor and Disposition of Buying Public Has Checked Forward Orders for Time Being

The labor shortage—resulting from governmental immigration restrictions—which underlies the present upward movement in wages, promises to quickly become a factor in the production costs of the farmer, with the prospect of reducing the profits of the latter and curtailing his buying power in terms of manufactured goods. In Western Canada thoughts are turning from the question of a big crop—now reasonably assured—to the problem of its harvesting and the matter of market prices. The growth is unusually heavy in straw, meaning that it will require a relatively large amount of labor in handling. No one seems to know where this labor is to come from. An experienced Alberta farmer who has been studying the problem says: "We will not get any hands from B. C. and it is reasonably certain that there will not be any considerable number from the United States. As for Eastern Canada, there will no doubt be the usual excursions but, frankly, I never had any real use for them, as most of the men who come are not accustomed to our requirements and only come for the fun of the trip and the experience; some, of course, are good men, but the majority are floaters and do not care for work."

With the labor problem on the one hand and the unsettled markets on the other, the extent to which the crop will provide for the liquidation of debt and add impetus to new buying is problematical. If, in addition, the wage advances in industry, demanded by the unions in the face of a shortage of workers, result in further price increases for manufactured goods at a time when the farmers' profit is again declining, a check will undoubtedly be applied to returning prosperity. The demands of the steel workers for an eight-hour day with a resultant increase of 15 per cent. in production, the agitation of the anthracite miners for changed conditions, which will advance the price of coal, and demonstrations on the part of the railroad workers and other strong unions are, therefore, disturbing factors.

The effect of high wages is being noted in the building industry. Much building has been suspended where values have been boomed. Real Estate and building experts express the opinion that a situation has been created in Toronto where a reduction of 20 to 25 per cent in building costs will be required to bring values to a level to encourage further general buying.

With the check which has been applied to forward buying, particularly noted in the American markets, there has been a tendency towards lower levels for commodity prices, but labor has as usual failed to recognize economic influences and the necessity for lowering the wage cost of production in the maintenance of general prosperity. When the manufacturer meets with curtailment of orders and difficulty in getting a price for his product that will return a profit enabling him to continue production at good capacity, he is usually forced by this attitude of labor into the course that is most harmful to labor itself. Knowing very well that wage reductions will probably result in a strike and the cessation of all production, he lays off workers and produces less, while the overhead burden on his reduced production increases because of the limited utilization of his plant. Such a policy on the manufacturer's part may be carried through to another market improvement, and the resumption of full employment; but it more commonly means complete unemployment for a considerable part of his workers until the logic of events has convinced the remnant still at work that the alternative for them is either less wages or no wages.

There are thus many factors for uncertainty in the business outlook. Business sentiment throughout the country has been improved with the crop prospects but it is evident that the definite indications are being awaited as to the harvest results in terms of actual buying power in relation to the prices of goods.

Eight-Hour Day Will Increase Steel Prices

Judge Elbert H. Gary, chairman of the board of the United States Steel Corporation, announces that the eight-hour day would be put into effect as soon as practical.

Judge Gary estimates that the change in working hours will require 60,000 additional employees, and will increase the cost of finished steel products by 15 per cent. Judge Gary believes that more labor will be available from the south, Mexico, Canada and the Philippines and Europe.

Farm Help Problem Up to Labor Department

OTTAWA.—With a record harvest, Western Canada is crying for help. Ontario is handicapped with the hay harvest because of a shortage of workers and fruit is rotting on the trees for want of pickers.

We have a Minister of Labor and a Department that costs a big sum annually to maintain it. It is a hot-bed of statistics; it can make more noise than all the other departments at Ottawa when there is a petty strike; but it gets stage-fright when a big employment question arises. The trouble is that the department has never risen to the great opportunities it has for performing a real national service.

In some of the American seaboard states before recent federal legislation stopped it, thousands of Portuguese, Spanish and West Indians were brought in temporarily each year to aid in the season's farm and summer work.. It is possible to do something of this kind in Canada.

RECORD HARVEST IS GIST OF ALL REPORTS

Railways, Banks and Elevator Companies Agree on the General Prospects

Crop reports of prospects for the harvest in Western Canada are, generally speaking, of a very optimistic character and there now seems to be every reasonable assurance of record yields. This estimate is based on advices issued from a number of sources, including the Canadian Pacific Railway, the Canadian National Railway, the Bank of Montreal, the Royal Bank of Canada, the Bank of Commerce, the Union Bank, the Government of Saskatchewan, the Manitoba Free Press, the Lake of the Woods Milling Company, and other institutions in a position to keep closely in touch with conditions.

The indications are that there is sufficient moisture to carry the crops to harvest. Pastures are in good shape, with live stock showing improvement; grasshoppers are well under control, and there are no reports of rust. Wheat is now heading out and the growth in straw is particularly heavy. There are reports of hail from some districts but nothing of a general character. The growth has been rapid and in some districts, in spite of late start, are two weeks ahead of last year. In other districts there is, if anything, too much moisture, and warm, dry weather is now needed. June was an unusually wet month; in many parts of Saskatchewan six to eight inches of rainfall have been recorded.

As yet, however, conditions have not reached a stage where reliable estimates of the yield can be made. The Manitoba Free Press has the best facilities for making such estimates, and THE FINANCIAL POST will have Miss Hind's figures as soon as they are available.

EXPERT ADVICE STILL NEEDED ON SALES TAX

Ottawa Has Need for Disinterested Advisers

From Our Own Correspondent

OTTAWA.—The sales tax will receive a great deal of attention between now and the first of the New Year, when it is announced to come into effect. That the changes adopted during the parliamentary session are not popular is well known, and the opposition to them is expected to grow. Some even think that they may not come into effect.

The dissatisfaction over the changes made is due as much as anything to the failure of the Minister of Finance to get the right kind of advice. Being without any regular staff of advisers, outside of those who actually collect the taxes, the Government sometimes falls a victim to special pleaders, to those who, often bent on securing changes beneficial to themselves, may put a plausible case and get away with it.

One would naturally think that before making important decisions in taxes that take over $100,000,000 a year out of the pockets of the public, the government would submit matters relating thereto, especially changes, to a board of advisers, on which would be found one or two experts possessing reliable knowledge on the incidence of taxation, so that sound conclusions might readily be arrived at as to how the general public would be affected. But no such body exists. So in the introduction of new taxes the government does not know where it is going. It proceeds on the principle that if it hits a likely source of revenue hard enough it is pretty sure to get quite a sum of money.

The parliamentary discussions on the sales tax changes showed that the situation relating to it is quite chaotic. Nothing of a constructive nature was advanced, the government naturally being loath to make further changes, since to have made them would have been a further admission of the weak features of its sales tax proposals generally.

HAS THE MARKET DISCOUNTED U.S. CHANGE IN SILVER?

Many Mine Managers Have Expressed This Opinion

NEW SILVER RUSH

McKinley Darrah Has Purchased Six Claims on the Old Gillies Limit—Has Strong Vein

Staff Correspondence.

COBALT.—Mining men of the North are of the opinion that any change in the silver market which may arise from the change in the silver situation in United States, owing to the completion of the Pittman Act, purchases of the domestic supply at $1 an ounce, has been discounted by the market. They believe that the ultimate result of the change, the placing of the U. S. production on the world market, will hardly effect the price of silver and they believe the price will continue the present range.

One manager expressed the opinion that silver would soon start to move upward and he believed that a year from now would see a much higher price ruling. He pointed out that prices at present are little different from those that have ruled for the past couple of years. All the mines are selling their silver steadily. Nipissing is selling mostly at New York, while quite an amount of it is for delivery to Vancouver to be sent to China.

Interest in the area lying between South-East Coleman section of the Cobalt camp and South Lorraine, known as the Gillies Limit, is at fever heat as a result of McKinley-Darrah purchasing six claims. H. C. McCloskey, manager, made the purchase, paying down some cash. He just headed off the Nipissing in the rush to secure the claims, making his inspection on Sunday and closing the deal on Monday.

The claims are at Anderson Lake, about six miles north of the Lorraine and about 12 miles from Cobalt. On the claims purchased there is a 12 inch quartz vein which gives assays just below the surface of 105 to 110 ounces. The formation is diabase-keewatin. The Mining Corporation has several claims on the other side of the diabase body and near Anderson Lake.

As a result of the purchase by the McKinley-Darrah there has been a rush of prospectors into the field.

MAY DELAY EXPECTED DOMINION LOAN NOW

Fielding Confers With Toronto Bond Men; Possibility of Floating Issue Elsewhere

Special Correspondent.

OTTAWA.—It is understood that Hon. W. S. Fielding, the Minister of Finance, went to Toronto this week to confer with leading bond men on the advisability of floating a domestic loan in the near future to provide funds for the retirement of the loan maturing next November. The amount due is $172,471,000, and in addition there are $95,000,000 treasury bills, which were extended last year, to be provided for.

It is intimated that the conference in Toronto was not as favorable as was hoped for and, as a result, the loan may be delayed as long as possible or floated in New York or London. For the past three months the bond market has been firm, but no heavy buying is in evidence nad many believe that a large issue or two before October would weaken prices.

The Pulpwood Situation From Canadian Standpoint

Parliament empowered the Ottawa government to prohibit by Order in Council the export of pulpwood cut on private lands, and Press dispatches from the U.S. show considerable anxiety as to the effects of such an embargo. A New York dispatch, for instance, says that—"a decisive blow will be dealt to the American newsprint industry. Many mills, now almost entirely dependent upon Canada for their pulpwood, will be forced to close down. The gravity of the situation to the United States newsprint industry is emphasized by the fact that since 1912 production in this country has been practically constant, while Canada has increased her output three times. Exports from Canada to this country were 83% of her total newsprint output in 1922."

While the question may seem complicated at first sight, it is really a simple one. The difference is not between Canadian and American industries fighting one another to obtain a practical monopoly, for the great bulk of the pulp factories in Canada are American owned; the fight is between two classes of American paper-makers—one class which was far-sighted enough to build its plants in Canada, the other which relied on getting its pulpwood from Canada for manufacture in the United States.

Pulpwood Situation

There is no question of hostility against the United States. American paper manufacturers have been very cordially welcomed here and will continue to be—but the Canadian position is that while these natural resources of our country are being developed by foreign capital for foreign use, we should have at least employment of Canadian labor, purchase in Canada of supplies used in the business, and as much other benefit as we can fairly claim. To aid in this policy, an embargo on pulpwood, it is believed, will bring the remaining American paper manufacturers into line with their more far-sighted competitors who have already established factories here. Even under the embargo, United States paper manufacturers will have an advantage, for Canadian paper firms have to pay the 6 per cent. sales tax under the recent Bill, from which United States firms are exempt, while the taxation on Canadian business generally is much more heavy than that on United States business. The present policy of sending raw materials across the line for manufacture compels many young Canadians to go over the border to work on that raw material, and this is one of the causes of the serious loss of our young manhood to the United States.

In Canada, we have a huge country, a small population, and a heavy debt. These facts show that it is ordinary prudence to obtain the greatest possible benefit from our natural resources. The fact that we hold much of the world's remaining reserve of pulpwood is a fact which should aid in statesmanlike conservation of that resource. The proposed embargo does not go far enough. It should next take in pulp, so that all paper should be made in Canada, and an export duty imposed on paper with which to pay for forest protection and re-afforestation.

It is not antagonism between conflicting "Big Business" of two countries which has brought this situation: it is a condition in which ordinary business foresight, fair play and development of our own country meet in an extraordinary combination. All that is required is that the Canadian people shall enter intelligently into what is meant by the use and exploitation of their natural resources, and once that is accomplished we shall have justice to Canada as the first claim on our thoughts before we consider generosity to other countries.

Cape Breton Strike Now in Defiance of All Authority

Not Now a Question of Wages But Whether Red Dictation From Moscow is to Defy Constitutional Rule—Business is Suffering and Capital is Being Discouraged

Professional agitators in the name of Trade Unionism and the workers of Canada are demanding, with much bluff and noise, the withdrawal of military and police protection for lives and property in Nova Scotia coal and steel fields with such skill that the Government, thinking it is the voice of the country, are apologizing for being forced to do their duty.

It might be well for Hon. Mr. King, who often mistakes noise for public sentiment, to note the voters of Canada, including the workers themselves, are so unsympathetic with the professional labor element that not one real Trade Unionist was elected in all Canada.

Special Correspondence.

HALIFAX.—The strike of the miners and steel workers has continued in the face of all authority—in defiance of the federal and provincial governments and in defiance, too, of the constituted labor leaders of the workers themselves. Whatever the merits of the case as between the men and the company which led to the break, they have been lost sight of in the larger issue of whether an industry which is an important factor in the well-being and safety of the nation is to be controlled by constitutional methods or to be directed by the Reds from Moscow.

It has been generally felt that the steel company as well as the men has been to blame for the state of mutual suspicion which has prevailed, but sabotage, the destruction of property, the defiance of law and the menace of the public welfare have placed the issue in an entirely different light.

Business is suffering all through Cape Breton because of the strike. Mercantile stores are being hard hit, and business in general is at a standstill because of the tumultuous conditions prevailing. The radical leaders are making all sorts of demands and all types of threats. Workers who do not wish to strike must join with the Communists because of fear of being branded as traitors by the fiery Reds. Business stagnation is facing Cape Breton, and a number of merchants are considering relinquishing their stores and opening businesses elsewhere, because of the unsettled situation. Buying has been reduced to the minimum, with disastrous results to business men, particularly of Sydney, Glace Bay, New Waterford, New Aberdeen, Reserve, Sydney Mines, and Dominion.

THE GREATER ISSUE

Professor Stewart, of Dalhousie University, has made a close analysis of the Cape Breton strike and points out that its alleged purpose is to compel withdrawal of police and military who are there simply to prevent damage to property. He considers that the merits or demerits of either side on the wage question do not affect the rights of the public to prevent damage to mines which belong to the community, and which must be used when the trouble is over. His summary of the real principles involved is as follows: "Should the steel-workers have more pay? That is a fair matter for discussion. Should we concede to eight thousand miners the right to dismiss Dominion troops from disturbed areas at their will? This is not a matter for discussion in any community which objects to drifting into bolshevism."

Capital is Discouraged

That it is difficult to see where anyone will benefit from the present difficulties and that those for whom they were created will be actually harmed while laboring classes generally will suffer, is the view of the Maritime Merchant, which sees discouragement of capital as the result of the whole situation:

It is difficult enough in a country of small population like Nova Scotia to secure the interest of capitalists in the development of its resources, and unreasonableness on the part of workmen only tends to make capital more cautious still; but if capital has to reckon with lawlessness and violence on the part of labor, the chances are very good that it will turn its back on us

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Whose Job is it to Loan Farmers Cash They Need?

A Real Need is Evident for Some Logical Credit Development Apart From Practical Banking—Hard Work Would Help

From Our Own Correspondent.

MONTREAL. — The farmer and his burdens were much discussed throughout the sessions of the parliamentary committee that revised the Bank Act for the next ten-year period. But, nevertheless, the credit needs of Canadian agriculturists, and the Western farmers in particular, did not come before the committee to an extent where practical suggestions for amelioration of conditions termed arduous could be made. Farm credits to a large degree are outside the range of practical banking; banking that finances current needs rather than long-term and capital requirements. It was left for Andrew McMaster's committee on agricultural matters to talk over the farm credit wants of Canadian agriculture and this committee admitted its inability to deal properly with such a complex problem by shifting the discussion on to a Royal Commission which it recommended to the Government.

It may be that such a commission of investigation, if composed of a well-informed, inquisitive group of economists and practical farmers, would get to the root of the problem. That the problem of financing the farmer does exist in Canada is evident. If there were no problem there would be no experiments in provincial farm credits and agricultural banking; experiments that are being watched with interest but which have already given evidence of lacking soundness in theory and precision of banking technique in practice. The farm loan schemes have not finally solved the problem. The chartered banks, as has been pointed out before, by the very nature of their business, are prevented from providing many of the loans that farmers require. The trust and loan companies dealing in long-term mortgages are not in a position to handle the business. Perhaps the solution would lie in a co-ordination of effort between the two. It is a reasonable assump-

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RUSSIAN WHEAT FACTOR IN THE CANADIAN PRICE

Market Value Now the Important Problem of the Farmer

EXCHANGE INFLUENCE

Decline in Value of Pound Will Affect Purchases in This Country—Russia Selling to Germany

From Our Own Correspondent

OTTAWA.—Reports from the West indicate that unless rust, or some altogether unexpected factor makes its appearance, this year's wheat crop will exceed even the record one of last year. Information from farm circles on the prairies also indicates that what the farmers are really concerned over is not the size of the crop but what they will probably receive for it.

There does not seem to be much doubt about this country's ability to sell an amount equal to last year's exportable surplus of over 250,000,000 bushels. From September 1 to May 30 the exports of wheat were 57,000,000 greater than they were for the same months of the preceding year, of which about 56,000,000 went to the United Kingdom. In addition exports of wheat flour to the United Kingdom during that period were 160,000 bbls. greater. The fact of the matter is that as long as Russia keeps out of this market, Canada will not have much difficulty in selling her surplus there. That Russia is a factor, however, is evident from the fact that during the 1910-14 period she supplied an average of 13,691,000 cwt. of wheat and flour a year. During recent years, of course, she has supplied little or nothing.

Reports that Russia has contracted to sell to Germany $50,000,000 worth of grain from this year's harvest should not make very much difference to Canada. Germany is buying some Canadian wheat, but the surprising feature is that, considering the low value of the mark, she is taking any at all.

The Exchange Problem

It is probable that, owing to the decline in sterling, the American farmers will have much more difficulty in selling wheat in the United Kingdom than the farmers of this country will have. Both countries, however, are bound to suffer, in so far as their exports to Europe are concerned, through the movement of the exchanges against those countries. Sooner or later the exchange factor is bound to be felt in the exporting of such a world-wide product as wheat. When the nations of Europe get back to exporting wheat in anything like their old-time form, those countries whose currency is nearest to par will have most difficulty in selling. But from present indications, this phase of the situation will not affect Canada very much this year.

Woolworth Buying Without Hesitation

"We do not hesitate to contract for merchandise for future delivery at present prices," said H. T. Parson, president of F. W. Woolworth Co., discussing retail merchandising.

"Retail business is good, there is no question about that," he said. "I cannot see any reason why it should not continue to be good for the balance of 1923 at least."

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MINISTER TO FIX RATE ALLOWED ON BORROWED MONEY

In Making Deductions Under the Income Tax Law

NOT THE RATE PAID

If the Minister Feels That Unjustified Rate is Being Paid to Create Premium When Issue is Sold

Special Correspondence.

The amendment to the Income War Tax Act which will permit of the deduction of bond interest before the declaration of net profits on which the income tax will apply is couched in the following language:

2. Subsection one of section three of the said Act is amended by adding thereto the following:

"(h) Such reasonable rate of interest on borrowed capital used in the business to earn the income as the Minister in his discretion may allow notwithstanding the rate of interest payable to the taxpayer. To the extent that the interest payable by the taxpayer is in excess of the amount allowed by the Minister hereunder, it shall not be allowed as a deduction. The rate of interest allowed shall not in any case exceed the rate stipulated for in the bond, debenture, mortgage, note, agreement or other similar document, whether with or without security, by virtue of which the interest is payable."

3. Section three of the said Act is amended by adding thereto the following subsection:

"(g) In computing the amount of the profits or gains to be assessed, a deduction shall not be allowed in respect of—

(a) disbursements or expenses not wholly, exclusively and necessarily laid out or expended for the purpose of earning the income, or

(b) any outlay, loss or replacement of capital or any payment on account of capital or any depreciation, depletion or obsolescence, except as otherwise provided in this Act."

Hon. Mr. Fielding, Minister of Finance, explained to the House of Commons, when the amendment was introduced, that it was doubtful whether the law permitted that the interest on borrowed money in whatever form it may be as a proper charge against the man's business deductable before his income is declared. The amendment proposed to make it clear that where interest is paid in any form in business it is a proper charge against the business.

Sir Henry Drayton pointed out that under the amendment the minister is to fix the rate of interest. He asked the reason; if a man has to float a bond at 6 per cent. and the annual rate of interest came to 4 per cent., the actual expenditure which would be 6 per cent., might be discounted and cut to 4 per cent.

Mr. Fielding replied that the ordinary reasonable rate of interest would be allowed. If bonds were issued at a high rate of interest and produced a premium the rate paid was not the real rate of interest at all. The object was to give the minister power to fix a reasonable rate of interest which would be the ordinary current rate. If under exceptional circumstances a high rate was paid it would be for the minister to say whether he would allow it or not.

Mr. Fielding: If he issues 10 per cent. bonds at 110, and then claims he is paying 10 per cent. and asks for a deduction accordingly, that is certainly not the real rate of interest he is paying.

Mr. Meighen: But his income tax return does not show what rate he is paying. Supposing he issued a 10 per cent. $1,000 bond and sold it for $1,200, he would pay on the $1,000 bond $100, and he would return in his income tax statement the $100 paid. The 10 per cent. does not appear at all. That $100 should be allowed. It works out really to be a little more than 8 per cent. interest.

Mr. Fielding: The bond itself bears 10 per cent. as the rate of interest, and he will be tempted to claim 10 per cent., and that is what he would be allowed.

Mr. Meighen: I may be charged more than is fair and reasonable. Hon. gentlemen to my left say that nearly all of their constituents are charged an excessive rate of interest and if they are, and cannot help paying it, it ought to be allowed them. Why should the minister be empowered to say: Here is a farmer paying 9 per cent., but we are going to allow him 6 per cent. when he puts in his tax papers.

Mr. Fielding: In the case cited of a farmer paying the ordinary rate of interest in his district, this would be a reasonable rate.

Mr. Meighen: Why should the minister have any jurisdiction? A man is not going to pay any higher interest that he can help.

Mr. Fielding: In the illustration I gave a man may claim he is paying 10 per cent. because he pays that on the bond. Of course, that is only an illustration. I do not see any objection so long as the rate of interest to be credited is fair and reasonable.

Sir Henry Drayton: Suppose he sells his 10 per cent. bond at a premium of 25 per cent., he would get in cash $125. As against this sum which has gone into the business there is only a charge of $100. His interest payments, although 10 per cent. on the face of the bond, are really only 7½ per cent. on the actual money that is in the business. It would be just exactly the same, assuming that 7½ per cent. was the proper rate, if he issued a 7½ per cent. bond and sold it at par. The only room for fraud would be if the man sold his 10 per cent. bond at a premium of 25 per cent. and put only the $100 in his business, pocketing the $25. Then I would quite agree with my hon. friend, because the man is not paying interest for it. But that is something which could be checked to-day.

Mr. Fielding: As a matter of fact, he could put that $25 anywhere he likes, but I am advised that according to the law and practice that $25 is not taxable and we do not get the benefit. If he sells at a premium a $1,000 bond bearing interest at 10 per cent. he will claim that that is the rate of interest he is paying.

Mr. Stevens: Take the illustration advanced by the minister himself of a $100 bond sold at $120 bearing 10 per cent. interest. As a matter of fact that means interest at 8 1-3 per cent. If the man puts the $20 premium in his pocket, he must show that as a return in his own personal income.

Mr. Fielding: I am told that according to the practice of the department, the $25, or whatever the amount, is not taxable. I repeat the case: A man says, "I am paying interest at 10 per cent.," and he asks to be allowed that. Under this law he would be told, "No, that is not fair because you do not really pay 10 per cent., you pay 7 or 8 per cent., and we charge you that rate." What is unfair in that?

Mr. Hanson: Let me put a concrete case to the minister which came under my own personal observation. In 1921 when money was at a peak price and people had to take care of commitments made prior to the depression, they were obliged to go out and borrow in the market at 8 per cent. par. Bonds were sold to underwriters at less than par and were put on the market at one point below par so that the money actually netted the investor 8.10 per cent. Three years later money eases away and is worth only 6 per cent., and these same bonds are quoted at that rate. As I understand it, the purpose of the resolution is to give the minister power to allow only the payment at the rate of 6 per cent. on that money, although as a matter

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Metal Industries Expanded With Increase in Buying

Satisfactory Developments During the First Half of the Year and the Future is Regarded With Confidence —Labor Problem

Marked industrial expansion in the metal and machinery industries is indicated in reports covering conditions of the first half of the year made to Canadian Machinery from a large number of leading companies throughout the country. Tempered confidence is indicated with regard to the future, the labor problem in relation to production cost is particularly referred to as a disquieting feature.

William Casey, vice-president and general manager Canadian Locomotive Company, Kingston,—"We believe that the railroads will require a very large amount of power during the next few years to take care of maintenance and depreciation and that the tendency will be towards the adoption of locomotives of the heaviest character in endeavoring to obtain the lowest ton mile cost possible. We have approximately $2,750,000 of unfilled orders."

W. R. Campbell, vice-president and treasurer Ford Company of Canada—"We are looking for a gradual increase in demand—nothing at all spectacular, but a conservative, steady increase. The volume of unfilled orders now on our books is 2,500 cars and trucks, of a value of $1,250,000."

F. E. Mutton, general manager International Business Machines Company, Toronto,—"Our volume of sales shows some increase over a similar five months ending May 31, last year. The volume of export business has shown a large increase, possibly 80 per cent. The volume of unfilled orders on our books now shows a very healthy increase over last year; the number of employees shows an increase of about 15 per cent. In our opinion Canada has turned the corner to better times and will show a gradual improvement. There is certainly greater confidence prevailing amongst the buyers."

H. J. Waddie, president and manager Canadian Drawn Steel Company, Hamilton,—"Shipments for the first five months of 1923 have shown a steady increase and are 100 per cent. greater than in 1922. We have on our books unfilled orders to carry us for two and a half months."

F. N. Norton, sales manager John Morrow Screw & Nut Company, Ingersoll,—"Sales are much in excess of the six months ending May 31, 1922, and it is our opinion that future conditions will show a gradual and steady improvement without being spectacular."

E. F. Hetherington, advertising manager Goldie, McCulloch Company, Galt,—"Volume of sales for the first six months of the year practically 20 per cent. in excess of the same period last year. It costs more to manufacture on account of the increased cost of raw materials and prices are not any better. We have more unfilled orders on our books than we had a year ago. We do not look for much better business until the crop is harvested."

A. J. Oliver, secretary-treasurer The R. McDougall Company, Galt,—"We are very well satisfied with conditions so far this year and our business is about one-third greater than last year. We have about $20,000 of unfilled orders on our books which is considerably more than at this time last year. We believe the tide has turned and that an optimistic feeling is not out of the way at all."

Percy Ford-Smith, president and manager the Ford-Smith Machine Company, Hamilton,—"Sales to May 31, 1923, are about double 1922. Exports for the last six months have been about the same as last year. We have a fair volume of unfilled orders with about twice as many men working as last year. We think business generally is fairly good now and will continue at about the same level for some time to come."

William Kistler, general manager The Hayes Wheel Company, Chatham, —"The volume of sales for six months ending May 31, totalled $1,187,000, an increase of 20 per cent. over last year. Approximate total of unfilled orders on our books at the present time is in the neighborhood of $500,000. We can see no reason for anything but prosperity, unless the increase in the price of labor and materials shuts us out of foreign markets."

D. J. Reid, manager The Torrington Company, Upper Bedford, Que., —"Volume of sales for six months ending May 31, about 4,000,000 needles, or about the same as for the corresponding period last year. Unfilled orders from the first of the month amounted to 500,000. We do not look for very much improvement in domestic business for some time to come, but think export business will increase considerably."

R. C. Douglass, manager the Norton Company, Hamilton,—"Business for the last six months has shown a very pleasing increase over last year. Unfilled orders on hand indicate that business has not slackened off to any appreciable extent as yet. The general situation should improve and we anticipate that industries which are now active will continue to be so for some time to come."

V. A. Clemen, The Fisher Body Company of Canada, Walkerville,—"For fiscal year ending April 30, business was 100 per cent. better than in any previous year in the history of the company."

J. J. Ashworth, general manager, Canadian General Electric Company, Toronto,—"Volume of business this year very considerably in excess of the same period last year. The number of employees is considerably larger and conditions are more promising."

H. B. Lyall, vice-president Manitoba Bridge & Iron Works, Winnipeg, —"Sales, unfilled orders and employment are approximately 50 per cent. better than at the same time last year. No doubt whatever that a very decided change has taken place in industrial circles in Western Canada. To this condition the railways have contributed very largely."

R. H. Cunningham, R. H. Cunningham & Company, London,—"Business this year is approximately four times what it was last year. Unfilled orders at present are equal to complete 1922 business."

A. T. Enlow, president Dominion Sheet Metal Corporation, Hamilton,— "During six months ending May 31, we operated 90 per cent. full and during the last four months period 100 per cent. full. Production showed an increase over the same period last year of 77 per cent. We have about ten weeks' work unfilled and anticipate that in the fall there will be a sharp resumption and quite a lot of business sorting up. Especially will this hold good if crops maintain their present splendid average."

Arthur W. White, president and general manager George White & Sons Company, London,—"A good crop this year would greatly assist the farmers in paying their debts, but it will take three good crops to bring the Canadian West back to a good sound financial condition."

H. G. Welsford, assistant general manager, Dominion Engineering Works, Montreal,—"Sales so far this year have already equalled our total sales last year. Plant is working almost to capacity and we have enough work on hand to last us for nine to twelve months."

BONUS SUGGESTED FOR CANADIAN COAL

Wolvin Has Scheme to Supplant Anthracite From United States

From Our Own Correspondent

On the question of a substitute for anthracite coal, President R. M. Wolvin, of the British Empire Steel Corporation, has written to Senator McLellan, chairman of the Fuel Committee at Ottawa, stating that investigation indicates that there are certain seams of coal in Nova Scotia producing coal that will make a satisfactory household coke and that the gas produced from this Nova Scotia coal while coking can be cleaned and the sulphur removed so that it can be used either for fuel or illuminating purposes. Mr. Wolvin suggests a subsidy or bonus to encourage the industry.

Coke ovens can be built in Quebec, Montreal and Toronto where sufficient Nova Scotia coal can be cheaply transported by water during the navigation season to provide full year operation of the coke plants. These large cities need the gas produced in the making of coke and the other by-products, tar creosote, benzol, etc., find a good market in Canada. The coke produced will be used in the cities and shipped to other consuming points in Eastern Canada.

The coal for Toronto should be transhipped in Montreal by rapid discharging especially equipped docks from 1,200-ton ships to the canal vessels now returning without cargo from Montreal to Port Colbourne.

It will be necessary for the Canadian Government to assist this new business by bonus on coke produced from Canadian coal or by subsidizing such plants using Canadian coal in a way possibly similar to the Dry Dock Subsidies.

A proper development of these coke ovens would permanently provide a substitute for a large portion of foreign produced anthracite now used in Canada. It would make Canada more self-contained and less dependent upon the United States. It would keep a large amount of money in Canada that is now spent outside and would develop Canadian resources and by increasing the output of coal would assist in reducing the average cost of producing all bituminous coal in Canada.

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Reserve Fund	£3,250,000
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In Queensland	19
In South Australia	14
In Western Australia	20
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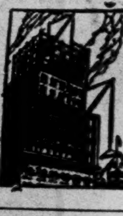

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The Quaker Oats Company, at Saskatoon proposes to erect eight additional grain tanks which will mean 250,000 bushels added to its storage capacity. Cleaning and drying equipment is also being installed. The new improvements will involve an expenditure of about $100,000.

PUBLISHERS JOIN MANUFACTURERS IN EMBARGO PROTEST

Strong Pressure is Being Brought to Bear on Washington

UP TO GOVERNMENT

Intimation That Canada May Not Get Her Full Fuel Supply if Regulations Are Enforced on Pulp Exports

From Our Own Correspondent

NEW YORK.—The publishing industry of the United States is preparing to support the protest of newsprint interests against the proposal that an embargo be placed on the export of Canadian pulpwood. The publishers are apparently thoroughly roused by the prediction that the price of newsprint will go up ten dollars a ton if the Canadian government should declare such an embargo, and that many of the newsprint mills along the international border will be forced to close if the supply of Canadian wood is cut off. As one authority in a position to know pointed out to THE FINANCIAL POST, the increase in the price of newsprint would add some $25,000,000 to the costs which the publishing interests of the United States must meet each year, and the closing of the mills dependent upon a Canadian source for their raw material would make it extremely likely that such an immediate increase in paper prices would be only a beginning.

The National Publishers' Association, one of the largest organizations of publishers in the United States, has already acted and other similar organizations are expected to do so within the week.

The newspaper publishers apparently believe that the declaration of a further embargo on the exportation of Canadian pulpwood by the Dominion government would mean the return of war-time prices in the newsprint industry. Both are contingencies which the publishers most heartily wish to avoid.

From a Canadian standpoint this new alliance between the publishers and the newsprint manufacturers is, as one local Canadian student of the pulp and paper industry pointed out to THE FINANCIAL POST, perhaps the most important outcome of the discussion which has sprung up in the United States since the House of Commons gave the governor general the right to further curtail the export of pulpwood. The newsprint manufacturers and the publishers have in the past only on very rare occasions acted together in matters affecting the interests of the paper manufacturing industry. This new-found willingness on the part of the publishing interests to co-operate with the paper-makers in an effort to protect as far as possible an important source of raw materials for the mills which help to make their industry possible is, therefore, a more or less unique departure on their part. Not only is this the case, but it is likely to result in bringing to bear upon Washington a degree of pressure to which it has perhaps never heretofore been subjected in the course of all the battles large and small which have raged about the international relations of the newsprint industry.

A New Alliance

This willingness of the American publishers to side with the newsprint manufacturers is, therefore, likely to prove very valuable to the manufacturers in their attempt to induce the Secretary of State to take some action in regard to the proposed embargo. As one newsprint manufacturer pointed out to THE FINANCIAL POST, the publishers have always had more influence with the government of the day in Washington than the newsprint manufacturers. In view of the nature of the publishers' business, this was to be expected. Controlling publications reaching tens of millions of readers, all with votes to cast, no government, whatever its political creed, could afford to ignore any demand made by the majority of the publishers of the country. This fact has always made it impossible for the newsprint industry of the United States to obtain tariff protection despite its rather obvious need for protection against Canadian and Scandinavian competition. While the newsprint manufacturers have for years back attempted to convince Washington that the continued existence of the American newsprint industry was largely dependent upon the enactment of a protective tariff covering the importation of newsprint, the fact that the newspaper publishers have consistently stood out against such a tariff has defeated every attempt the newsprint manufacturers have made in recent years to obtain protection from foreign competition. When the schedules of the Fordney-McCumber Tariff were under discussion the newsprint manufacturers attempted to prove that the continuance of unrestricted foreign competition would eventually force American publishers to depend to an increasing extent upon foreign paper, But the publishers would not be induced to change their minds. Newsprint stayed on the free list.

This new alignment of the newsprint manufacturers and the publishers, therefore, represents a new combination of forces powerful enough to force the Administration at Washington to take some decisive action. The newsprint manufacturers have apparently won the support of the publishers by making it clear to them that the cost of their paper must go higher if Canada extends its present embargo on pulpwood. The publishers have been put into a position where they can continue to fight for that which they have fought for for years—cheap newsprint. As it was "cheap newsprint" as a slogan which has enabled them to keep newsprint on the free list despite the adoption of a drastic high tariff policy by the present Administration, it is at least reasonable to expect that the same slogan judiciously used will enable the leaders of the industry to rally newspapers in all parts of the United States to their support and force the Government to take some action.

What Will Government Do?

Exactly what action will be taken by the Federal Government if the newsprint manufacturers and the publishers have their way, it is as yet difficult to say. It is understood here that the State Department in Washington already has the matter under careful consideration and is expected to make some statement shortly. Whether the expected action will take the form of a protest or something more drastic, it is as yet impossible to say.

This can, however, be said: Canadian interests have been working hard for some weeks past in an attempt to induce the Interstate Commerce Commission to take certain steps which

(Continued on page 15)

SAY PAPER HERE WILL ALSO COST A HIGHER PRICE

American Interests Trying to Arouse Canadian Publishers

NEW YORK.—If the Canadian Government declares an embargo on the export of pulpwood cut from private lands, it will not only increase the price of newsprint in the United States but will eventually "subvert the American industry in favor of Canada," according to a statement made over the week-end by Philip J. Dodge, president of the International Paper Company. Mr. Dodge said that the International bought about 200,000 cords of pulpwood in Canada in 1922. The company used about 700,000 cords of wood a year. Figuring five cords to the acre, this means nearly 220 square miles of woodland. Investigation by THE FINANCIAL POST indicates that Mr. Dodge's statement expresses the opinion of most of the leaders in the newsprint industry regarding the effect of the proposed embargo on the American newsprint industry and the paper market. All appear to agree that it would not only increase the price of newsprint but would inevitably force the closing of a great many American mills, a very heavy loss of invested capital in some of the northern states and considerable unemployment in the districts lying about them.

Some of them believe that the effects of the embargo will not be confined to the United States. Canada will be affected as well. As one newsprint manufacturer pointed out to THE FINANCIAL POST, if prices go up in the United States they will rise in Canada as well. The price is, therefore, largely made in New York, not in Montreal. In this man's opinion an embargo on pulpwood would force the Canadian publishers to pay at least ten dollars a ton more for their newsprint.

Another manufacturer told THE FINANCIAL POST that his company spent over $2,000,000 a year for wood in New Brunswick alone. He said that an embargo would deprive the farmers of New Brunswick of the greater part of this sum, a matter of no small importance to the province in view of the closing of their market in the New England States by the Fordney Tariff.

RAILWAY FACILITIES TO THE PEACE RIVER

Both Canadian Pacific and National Systems Are Making New Plans

From Our Own Correspondent

VICTORIA. — The Peace River country, northern British Columbia and Alberta, are at last to have railway facilities. Not only has it been stated on reliable authority that the Canadian Pacific Railway is planning extension of its lines over the old grade of the Grand Trunk Pacific, but Sir Henry Thornton, in a recent interview, stated that it was the intention of his company to build a line into the Peace River country. He stated that engineers of the Canadian National would be on the ground this summer plotting a route, and that it was probable that a start would be made some time in 1924.

A point of special interest to the government and the people of British Columbia is the possibility of the new line meeting the Canadian National at Prince George, which is the tentative northern terminus of the Pacific Great Eastern Railway, which has been built by the provincial government and which has returned a deficit each year. If the Peace River railroad materializes—and there is now little doubt that it will—new business will be created for the Pacific Great Eastern and, further than that, may make the Pacific Great Eastern Railway an attractive buy for either the C. P. R. or the C. N. R. Such a transaction would be welcomed by the provincial government, according to Premier John Oliver.

In addition to the timber and agricultural possibilities in the way of traffic for the proposed new road, it is stated that the Peace River country and the territory tributary to it possesses abundant indications of a wealth of oil and coal and other mineral deposits.

EMBARGO ON PULP CALLED CALAMITY TO U.S.A. PLANTS

"Threatened Aggressiveness" of Canada a Call for Action

SAYS PAPER MAN

Would Mean Many American Mills Would Have to Close, Secretary of Paper Association States

From Our Own Correspondent

MONTREAL. — American paper manufacturers have become really perturbed over the possibility—in fact, the probability—of their supplies of pulpwood from Canada being cut off by the embargo now contemplated by Canada. "Such action by Canada would be a calamity to the United States," Dr. Hugh L. Baker, executive secretary of the American Pulp and Paper Association, says. Dr. Baker, it will be recalled, warned American paper men some time ago that they might eventually expect such action from Canada, and stated that it would probably mean the removal of many mills from the United States northward across the border.

The statement of Dr. Baker takes on particular significance in view of the fact that it intimates that such action by Canada would mean increased prices for paper in the United States. One estimate places the increase on newsprint at $10 a ton. This remark is bound to call American newspaper publishers into the arena of discussion, and the suggested embargo which has not been widely talked about across the line outside of pulp and paper circles is certain to be attacked in United States newspapers. Retaliation by the prohibition of export from the United States of commodities in which Canada has a vital interest, will probably be further urged. "There is need for immediate and aggresive action," says Dr. Baker, and this may be interpreted by editors as calling for retaliatory action by the United States.

Will Hasten Movement

There is a strong feeling in interested circles in Canada that the embargo alone will not be responsible for the further establishment of paper mills in Canada, but that it will hasten a movement that is inevitable and is now in process. Canada controls the water power as well as the pulpwood situation, and this has been a strong factor in bringing Canada towards top position in the manufacture of newsprint especially.

Dr. Baker's statement was as follows:

"The Canadian House of Commons has passed a resolution empowering the Governor in Council to prohibit the exportation of pulpwood (to this country) from privately owned timberlands in Canada. For many years the pulp and paper mills of northern New York, New England and the northern Lake States have purchased from 25 to 100 per cent. of their annual pulp wood requirements from the freehold lands of Canada.

"Many of our paper mills have become so dependent on Canadian pulpwood that an embargo would not only cause extreme hardship but might even force them to cease manufacturing.

"Since the passage of this act at Ottawa the leading newspapers of Eastern Canada have commended the action very highly and urged its early application. Should the Dominion act, as it is now empowered to do, a number of mills in northern New York and elsewhere would be forced to close, meaning the loss of important industries to the States and the throwing out of employment large numbers of wage earners. earners.

"Such action by Canada would in fact be a calamity for the paper industry in the United States.

"It is unnecessary to discuss the effect of such an embargo upon the paper industry of the United States. The prices of wood and pulp would respond immediately to such an embargo, and if prices of pulp and wood advance the public will immediately feel the effect of this embargo in the increased cost of all paper.

"This threatened aggressiveness upon the part of Canada puts up to our industry one of the most serious problems with which we have been confronted in years. There is need for immediate and aggressive action."

One of the reasons that the embargo is looked upon askance by American paper men is the fact that it will tend to still further enhance Canada's importance in the newsprint industry and may be a final step to put this country in the leadership in production. They point to the fact that in 1912 Canada produced only 256,000 tons of newsprint and in 1922, 1,082,000 tons. In the same period American production remained almost stationary, the 1912 production totaling 1,432,000 tons and the 1922 production 1,448,000 tons.

Only about 20 per cent. of the pulpwood used in the United States is imported from Canada. But the Canadian portion is believed to have been the determining balance in fixing the price in the United States. Without the Canadian supply, what is now an ample supply of pulpwood for all requirements may be turned into a shortage just large enough to move the price of this important raw material upwards.

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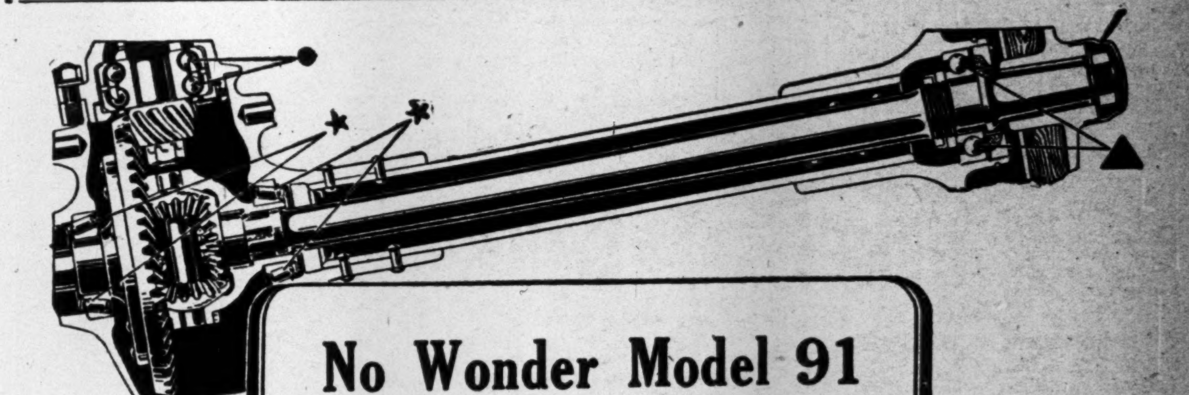

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It has a new type of floating axle, with axle shaft 27% heavier than in any other car of Overland's price or weight class.

Shaft is removable without taking down the housing—a feature heretofore confined to much higher priced cars.

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The axle shaft is of Molybdenum steel, an inch-and-a-half thick at the bearings. This makes them proof against any twisting, wrenching or jolting strains.

This superiority is carried through every part of the car. It reveals itself in an engine of remarkable power and great mileage. It shows in the Triplex Springs that add to the comfort of passengers and to the life of the car. It is evident too in an all-steel body. It stands forth in the fine appearance attained by high hood, long lines and superior finish. It is, in short, a *complete* superiority, and marks the highest value yet attained by a motor car at or near its price.

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Used at *three* vital bearing points in the Overland rear axle alone, where they add long life and reduce friction to a minimum—the toughest, finest bearings known for the purpose.

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Provided as indicated in the Overland rear axle and at four points in the front axle—bearings that are standard on the finest cars built and add immeasurably to the staunchness and efficiency of the Overland.

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News and Views for Investors

JOHN MORROW SCREW

There is a small investment interest in the John Morrow Screw and Nut Company, because of an issue of bonds that is fairly widely held. After passing through a period of difficulties the sales are now in excess of sales for the six months ending May 31, 1922, and it is expected that future conditions will show gradual and steady improvement. The business in May was the best of any month since 1920.

BIDGOOD

The decline in Bidgood Gold Mine stock from around 20 to 7 cents is due to the fact that active development work has been discontinued and diamond drilling undertaken. Two facts dictated this action, the first was that the recent ore find did not stand up when further developed and the second that the recent financing plans did not work out just as well as was at first thought they would do.

UNION BANK

The best evidence of a renewal of confidence in the future of the Union Bank, following the recent courageous adjustment of finances, is to be found in the sharp recovery of the bank's stock on the exchange. On Saturday last there was an advance of four points making the total increase of over eight points from the low point reached two weeks before. At 118 the holder secures a return of better than 6.7% on the investment.

MATTAGAMI PULP

The Mattagami Pulp and Paper Company, Limited, are now producing to full capacity at their plant at Smooth Rock Falls, Ont., turning out 150 tons of unbleached sulphite pulp daily, according to Financial Service, Limited.

William Ellis, formerly of the New York Division of the International Paper Company, is superintendent of the plant and is making a number of improvements. The work of relining one of the digestors has been completed.

OTTAWA ELECTRIC RAILWAY

There will be no street car strike in Ottawa this year. The employees of the Ottawa Electric Railway decided to accept the agreement proposed by the company, which is virtually a continuance of the 1922 agreement, to be effective until May 1st, 1924, was reached as an alternative to the strike proposition. There have been no recorded transactions in Ottawa Traction since the 1st of April, when the price was 60; Ottawa Light Heat and Power is selling around 83 as compared with a high for the year of 92½.

FORD COMPANY OF CANADA

Sales of the Ford Company of Canada for the six months ending May 31, were $21,473,000 or $5,579,000—33.4%—greater than for the same period last year. Exports for the half year were $7,560,000. The volume of unfilled orders on the company's books is 2,500 cars and trucks of a value of $1,250,000. The company is employing 4,692 hands or 1,000 more than last year. W. R. Campbell, vice-president, and treasurer of the company, states that the outlook is for a gradual increase in the demand—nothing at all spectacular but a conservative steady increase.

KING EDWARD HOTEL

The proposal for the consolidation of the King Edward Hotel Company and the King Edward Construction Company, with the idea of reducing income taxes and other overhead charges, has been approved by the shareholders of the Construction Company. At the shareholders' meeting a slight change was made with regard to the new issue of $3,350,000 of 8% debenture stock; there will be a distinction between the $2,500,000 series "A" to go to the preferred stockholders and $850,000 of series "B" to go to common stockholders, in that, while the two issues will comprise one mortgage, series "A" will, in the event of default or foreclosure, have priority as to assets for the discharge of interest or principal over series "B."

CANADIAN GENERAL ELECTRIC

In a statement regarding business conditions made to Canadian Machinery, J. J. Ashworth, general manager of the Canadian General Electric Company, states that although it has not been the policy of the company to make public information as to volume of sales or compare one period with another, it may be said that the volume of business this year is very considerably in excess of the same period last year. Mr. Ashdown regards conditions as much more promising than a year ago. The company, it is known, has been getting important orders in connection with power developments in Quebec and in other parts of the country. Quotations on the common stock have recently fallen below par after having moved up as high as 103⅝ from an opening around 80 at the first of the year.

HATTIE

There is a feeling in certain mining circles that sales of the Hattie Gold Mines, 90 day deliveries, which have been recorded 36c a share when the stock was selling 30c a share on the market are open to question. Five points is considered a very heavy margin for carrying a stock for 90 days. Some brokers say that 2¼ points is about the usual requirement. When sales of some 15,000 shares under such terms were recorded recently, the question was asked if it was not just a movement to create a feeling that the stock was going to show a material advance. In other words it is thought to be a new move in building the market. A few months ago similar sales of this nature were made.

CANADIAN LOCOMOTIVE

The plant of the Canadian Locomotive Company opened on repair work in October last after being closed for a period of two years. There are now approximately $2,750,000 of unfilled orders on the books. No export business is being done as foreign countries are unable to pay for locomotives on satisfactory terms. Speaking of the future, William Casey, vice-president and general manager, says that the railroads should require a large number of locomotives during the next few years, to take care of maintenance and depreciation. He believes that the tendency will be towards the adoption of power of the heaviest type in endeavoring to obtain the lowest ton mile cost possible. The market for the company's common stock has lately been around 70 as compared with 60 at the opening of the year and a high of 75 in March.

McINTYRE

The New York option on a large block of McIntyre treasury shares has been extended, which fact has given rise to some criticism. It is said that some of the shareholders feel that they should have the opportunity of taking up the shares at $15 while the market ranges anywhere up to 20, at present. $17.50. The U. S. interests have only taken up a small block of the optioned shares to date. This fact is undoubtedly responsible for the stock maintaining its strong position. It is doubtful if this would be held if a block of 200,000 was placed among the shareholders as the market's power of absorption at present is hardly capable of taking care of the number who would rush in to get their profit above the $15. However, if they desire it, the shareholders should have a call on the stock, and undoubtedly if they ask it their ever reasonable president will give them the opportunity, if he has the power to do so.

ILLINOIS TRACTION

Illinois Traction seven per cent. preferred, the new issue which takes the place of the six per cent. is to be listed at Montreal, according to Financial News Service which says that brokers have been advised by the banks to take Illinois Traction from their collateral loans, as it is well known that listed securities enjoy a status as collateral which is not the case with those securities which do not enjoy a ready market. The certificates of the six per cent. Illinois Traction preferred are now in process of being transferred into the certificates of the 7 per cent. preferred stock of the Illinois Power and Light Company. The company has made a special provision that upon immediate receipt of the old 6 per cent. stock an additional ¼ of 1 per cent. will be paid for the past quarter, thus placing the stock on a 7 per cent. basis for the last three months. Henceforth dividends of 1¾ per cent. per quarter will be paid on this stock.

BRITISH EMPIRE STEEL

As speculative stocks British Empire Steel first and second preferred are rated as cheap but there is hesitation on the part of investors to buy. The company's production of coal this year has broken past records. The production for the first six months of the present year was a million tons over the same period in 1922. Other departments were active up to the time of the strike. The strike news undoubtedly depressed the stock but there are other factors in the price. It is generally believed around the street that Toronto interests who were planning to associate themselves with the company some time ago absorbed a good deal of the stock at the time negotiations were on. Others who knew of the tentative plans and looked for them to go through also climbed aboard with heavy commitments, particularly of the second preferred. The plans fell through but all of the stock bought on the strength of them has not been liquidated and the speculative element particularly is not willing to plunge heavily now in this stock when it is felt that many of those shares will come on the market at each favorable upward movement.

UNCERTAINTY IS KEYNOTE OF THE STOCK MARKETS

Sagging Tendency Has Continued Throughout Week

LOOKING TO FUTURE

Opinion Differs as to Whether the Present Price Level Indicates Pessimism or Merely Caution

Uncertainty as to the trade developments of the autumn season, combined with mid-summer dullness, has tended to create a ragged market for stocks. New York has shown some tendency to take the view that caution has been mixed with undue pessimism and has shown little to indicate a general trend, but there has been no broad recovery. In the Canadian trading, prices have continued to sag, as indicated by the following summary of changes over the past seven days:

Group	No. of Stocks	Gains	Losses	U'chd.
Pulp	12	3	8	1
Specialties	5	2	2	1
Tractions	8	2	5	1
Utilities	13	2	11	—
Steel	5	0	4	1
Textile	9	2	4	3
Industrials	33	8	19	6
Milling	8	4	4	—
Banks	13	2	7	4

The demands for higher wages by railroad workers and miners and the statement by Judge Gary that the adoption of the eight-hour day in the steel industry will mean an advance of about 15 per cent. in production costs, are having a disquieting effect on the industrial outlook in the United States. The recent check in buying has been taken as a reflection of the public's refusal to go back to war-time prices and this is appreciated by dealers who will take no chances on buying more than they need. Under these conditions wage advances will cut deeply into the profits of business upon which investment values are based.

Opinion is, therefore, divided between those who hold that the sharp reaction which has been experienced will be followed by a general slowing down of business and those who contend that the situation is still healthy and that buying demand will be reflected by a renewal of orders in the fall. While one theory is held that prices reflect the present situation and may be subject to further discount, another is that pessimism has carried them so low that there is good buying on the basis of a period of fair to good business. Hayden, Stone and Co. say:

> That there was good and logical reason for the decline it is of course futile to deny. The market never makes a move as extensive as the decline that has taken place since last March without fundamental cause. The cause itself was obvious enough in the early spring, although it did not seem to warrant such a reaction as we have had, and doubtless, as usual, the thing has been over-discounted.
>
> Under such conditions what we may very well be justified in expecting is several years of good, healthy business activity such as marked the period between 1909-1912, with no big bear nor no big bull markets in securities. But it is in just such times and especially after such a reaction as we have had that excellent speculative opportunities are offered the discriminating investor.

Local Control of B.C. Electric is Emphasized

VANCOUVER. — Announcement that the chief executive positions of the British Columbia Electric Railway are to be filled by Vancouver and Victoria officials leaves no doubt that the company is locally managed and controlled. George Kidd, who has been acting as general manager, with offices at Vancouver, becomes president. A. T. Goward, who has been acting as manager of the company's interests in Victoria, is vice-president for Vancouver Island. W. D. Murrin, who has been general superintendent in Vancouver, is also vice-president under the new arrangement.

It is officially stated that the changes are for the purpose of extending and consolidating the management and control of the company's affairs in British Columbia.

The appointments are largely the result of Sir Ernest Harvey's recent visit to the Coast when he formed the opinion that the title of the company's executive officers should more clearly indicate their powers and responsibilities.

CAPITAL FOR SOUND MINING VENTURES

Properly Presented Developments Will Get Support of British Investor

From Our Own Correspondent

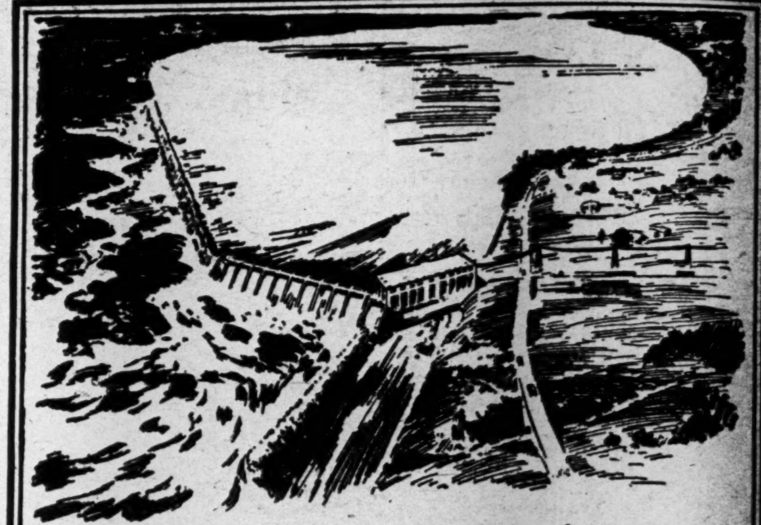
MONTREAL.—The fact that important English interests, represented by the Duke of Manchester, are preparing to actively explore this summer the goldfields of Northern Quebec and Northern Ontario, is creating considerable interest because of the suggestion it offers of a really important British investment in Canada's mines. The duke's party will shortly leave Montreal for Rouyn, where 6,000 acres are controlled, and for the Northern Ontario camps where the Hattie and Beatty are being operated now and the Platt Vet may also be worked. The money for the preliminary work is all being furnished privately by the men behind the syndicate. No public stock offering is planned, although British investors may be asked to finance final development of any properties that can be proven.

In view of the recent excitement in England over the Grand Trunk affair, with the widely uttered threats that British investors would no longer touch Canadian propositions, THE FINANCIAL POST asked the Duke of Manchester this week what effect the recent discussion would have upon British investments in Canada.

"British investors will remember with a good deal of resentment this and other matters and undoubtedly Canadian investments will suffer," said the Duke. "But there is no doubt that if a reasonable mining proposition can be laid before the British public with sound business backing and proper engineering reports, that it will receive an excellent reception. We anticipate no difficulty in that regard at all. All that needs to be avoided is wild catting and British capital will come for your mines."

CONSOLIDATED SMELTERS

Ore receipts, reported by the Consolidated Mining and Smelting Company, for the period June 22 to June 30, amounted to 13,241 tons, while for the six months the receipts totalled 230,466 tons.


Proposed Hemmings Falls Development of
The Southern Canada Power Company Limited

A Fundamental Demand and its Supply

Industry has no more basic need than a plentiful supply of economical dependable Hydro-Electric power. It is a vital aid to the progress of the community and the nation.

The Southern Canada Power Company is reaping the definite rewards of its vision in providing Hydro-Electric Power to the most rapidly growing industrial centre of Canada—The Eastern Townships of the Province of Quebec.

This Company is serving 14,000 cash customers, and in five years its gross earnings have grown from $485,528 to $843,565. Its fixed assets of $13,000,000, after deducting funded debt, provide an equity of $300 for each $100 of Preferred Stock. These are sound logical reasons for the investing public's appreciation of Southern Canada Power Limited 6% Cumulative Participating Preferred Stock.

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Price and particulars on request

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238

MORE AMERICAN CONCERNS LOCATE

Rubber Independents Following the Lead of Members of the "Big Four"

From Our Own Correspondent

OTTAWA.—The decision of the Paramount Rubber Co., of Little Falls, N. J., and of the Hodgman Rubber Co., of Tuckkahoe, N. Y., to organize a Canadian company to be known as the Paramount Rubber Co., with headquarters in Sherbrooke, is another evidence of the attention that American rubber concerns are paying to Canadian and British Empire fields. The so-called Big Four having already come across the line, the smaller concerns evidently think that they must come too, if they are to get their fair share of the trade.

The exports of rubber goods during May show the rapid growth of this branch of industry. During the month the value of these exports was $887,659, an increase of $380,000 over that for the same month last year and also an increase over that for April. Pneumatic tire casings formed the chief item of export, their value being $664,000, as compared with $355,000 for the same month last year and $469,000 for April.

Tires were shipped to 45 different countries. The United Kingdom, with $231,000 worth, was the chief buyer; New Zealand $56,000; Australia $42,000; British South Africa $12,000. A large trade has also been developed with South America, for the Argentine Republic took $55,000 worth of tires; Brazil $24,000, and Chili $3,400. France, with purchases of $80,000, was, next to Britain, the heaviest purchaser of tires during the month, while Italy took $24,000 worth and the Dutch East Indies $33,000. Coming to inner tubes, the United Kingdom took nearly $18,000 worth and the Argentine Republic $10,000; the latter also took $20,000 worth of rubber belting.

As a further indication of how the export trade in this line is growing, it may be observed that during the year ending May, the value of these exports grew from $4,068,000 to $7,975,000.

NORTH ONTARIO ASKS A WET REFERENDUM

Would be Pleased if Granted to Have Old Ontario Stay Dry

Staff Correspondent.

COBALT.—Northern Ontario wants a special liquor referendum submitted to the voters of that part of the North. They are waiting for the word that Premier-Designate G. Howard Ferguson has stepped into office to bombard him as well as the Northern members with petitions and requests. It is said that the movement has taken on quite a united form. Conservative Association presidents have been given the task of going after the new premier, while others will tackle the M.P.P.'s.

On the last referendum, Northern Ontario was almost solidly wet. It isn't that they are so thirsty up there that is back of this request, they say, but they're satisfied old Ontario will stay dry and if they get their referendum this will fit in with their order of things, THE FINANCIAL POST is assured. They say it will make Northern Ontario a magnet for tourists, and they will have no trouble getting funds to develop their resources. The dividing line for the referendum has not been defined.

STOCK MOVEMENTS OF THE WEEK

Week Ending July 10

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	195	—	197	194	194	31
Dominion	12	192	190	192	190	190	127
Hamilton	12	164	163	165	164	164	18
Hochelaga	10	150	148	150	149	149	32
Imperial	12	187½	186½	187	186	187	42
Molsons	12	172	—	170	170	170	10
Montreal	12	238	235	235	232½	234	167
Nationale	6	99	—	99	99	99	29
Nova Scotia	16	260	—	260	260	260	31
Royal	12	221½	220	221½	220⅝	220⅝	138
Standard	14	206	—	206	205½	205½	100
Toronto	12	186	185	186	185	185	43
Union	10	118	—	118	113	118	50
Industrials, Utilities, etc.—							
Abitibi Power & Pulp, com.	4	60	59	60⅜	57½	59	3401
American Salesbook, com.	1	34½	—	35½	35	35	120
Do., pref.	7	89½	87½	89½	86⅞	87½	93
Asbestos Corporation, com.	6	53	51	53¼	50½	52½	248
Do., pref.	7	75¾	—	76	76	76	175
Atlantic Sugar, com.	—	18	17½	18	16½	17½	283
Do., pref.	—	40	38½	40	38	38	60
Barcelona Traction	—	20	18½	19	18¾	18¾	320
Bell Telephone	8	120	119	120¾	119½	120	820
Brazilian Traction	4	46⅛	46	47	45	46	5160
British Empire Steel, com.	—	7	6	6¾	6	6½	154
Do., 1st pref.	7	65	64	65	64	65	255
Do., 2nd pref.	—	20	19½	20	17⅛	19¼	2047
Brompton Pulp	—	36	35½	37⅝	33⅞	36¼	4272
Burt, F. N., com.	10	128	—	128	128	128	26
Canada Bread, com.	—	59	54	59	58	59	62
Do., pref.	7	93	92½	93½	93	93½	122
Can. Car & Foundry, com.	—	29	27	28	28	28	170
Do., pref.	—	76	74	77	73½	76½	585
Can. Cement, com.	6	79½	78½	79½	75½	79¼	1083
Do., pref.	7	—	104	105	104½	105	41
Can. Steamships, com.	—	13¾	13	14	13	13	62
Do., pref.	—	45	44	45	44	45	517
Can. Converters	7	86	85½	86	83¾	85	186
Can. Cottons, com.	8	109½	108	109	105	108	811
Do., pref.	6	90	89½	90½	89½	89½	66
Can. Foundries, com.	—	30	—	25	25	25	5
Do., pref.	—	60	55	55	55	55	150
Can. Gen. Electric, com.	6	98½	97½	98	96	98	311
Do., pref.	7	—	107	107⅛	106	107	60
Can. Locomotive, pref.	7	96	94¾	94¾	94¾	94¾	5
Can. Pacific Railway	10	149½	149	151½	144¾	150	488
Canadian Salt	8	110	—	105	105	105	20
City Dairy, com.	10	140	139	140¼	140	140	125
Consumers' Gas.	10	157	—	159	158	158	119
Crow's Nest Coal	6	—	46	47	47	47	5
Cuban Can. Sugar, com.	—	7	6¼	6	6	6	5
Do., pref.	—	32	30	31	30	30	40
Detroit United Rly.	6	71	70	72	68	70	2501
Dominion Bridge	4	63	62⅞	64	62½	62½	202
Dominion Canners, com.	—	29	—	29	28¼	28½	260
Do., pref.	7	85	—	85½	85½	85½	10
Dominion Glass, com.	7	93	91½	92½	89½	91½	590
Do., pref.	7	—	103½	103½	103½	103½	30
Dominion Iron, pref.	7	75	—	75	75	75	5
Dominion Steel Corp., pref.	6	74½	74	75	74	74½	94
Dom. Textile, com.	4	68½	68	68½	65½	68	1459
Duluth-Superior	—	41½	41	42	40½	42	187
Eastern Theatres, com.	—	11	9½	9½	9½	9½	10
Do., pref.	7	—	70	70	70	70	10
Goodyear Tire, pref.	7	88	85	89½	87	87	6
Illinois Traction, com.	—	—	49	50	49½	49½	6
Do., pref.	6	87	—	87	86½	86½	13
Lake of Woods Milling, com.	12	168½	167	170¼	168½	169	102
Do., pref.	7	118	117	118	117	118	52
Laurentide Paper	6	92½	92	94¾	90⅛	92	2482
Lyall Cons.	—	—	20	20	19	20	110
Macdonald, A.	—	8¾	6	5½	5½	5½	15
Mackay, com.	7	111	109	110¾	105¾	110¾	453
Do., pref.	4	68½	67½	68½	67	68	151
Maple Leaf Milling, com.	8	92	—	93	92	92	105
Do., pref.	7	97	96	97	96	97	57
Montreal Cottons, com.	6	110	—	109	108	109	31
Do., pref.	7	109	108	108	108	108	36
Montreal Light, Heat, Cons.	6	119	117	118	117	117¾	1996
Montreal Telegraph	8	52	—	52½	52	52½	29
National Breweries, com.	4	48½	48	48½	46	48	1480
Do., pref.	7	95½	94½	95	95	95	38
Ogilvie Flour, com.	12	278	—	280	280	280	1
Ontario Steel Products, com.	—	45	44⅞	45	44	44	130
Ottawa Light, Heat & Power	6	—	83½	84	83	84	115
Pacific Burt, pref.	7	105	103	103	103	103	10
Penmans, com.	8	145	144	144¼	143	144¼	243
Do., pref.	6	—	98	98½	98½	98½	45
Port Hope Sanitary, pref.	7	—	85	86	86	86	10
Porto Rico Rlys., com.	—	20	16	18	18	18	42
Price Bros., com.	2	42	41	43	41	41	366
Provincial Paper, pref.	7	97	—	96¼	96¼	96¼	10
Quebec Railway	—	21	20½	22	20½	21	3155
Riordon Pulp, com.	—	3	2	2	2	2	203
Rogers, Wm., pref.	7	—	90	91	91	91	21
Shawinigan Water & Power	7	116	115	116	115	115	378
Sherwin-Williams, pref.	7	—	100	100	100	100	7
Spanish River Pulp, com.	7	88	86	88¼	82	88	3740
Do., pref.	7	98	96	97½	94	97½	4235
Smith, Howard, Paper, com.	6	70¾	—	71	68	69	555
Do., pref.	8	103	101½	101½	100½	100½	77
Steel of Canada, com.	7	69	68¼	70	67	68¼	1540
Do., pref.	7	101	100	100¾	99¾	100	34
St. Lawrence Flour, com.	6	55	54½	55	52½	55	150
St. Maurice Paper	6	101	100	99½	95	99½	206
Toronto Railway	—	77	76½	78	73¾	77	1697
Tuckett Tobacco, com	4	54	—	51	50	50	7
Do., pref.	7	—	94	91¾	91½	91¾	20
Twin City, com.	6	73	72	73½	68	72¼	2021
Wabasso Cotton	4	76	73	76	73	73	85
Wayagamack	—	—	47½	48	47	47	435
Western Canada Flour	8	110	105	108	108	108	5
Winnipeg Electric, com.	—	33	32	33¾	32¼	32¼	356
Do., pref.	7	84½	83	85⅛	83½	84	60
Woods Manufacturing, pref.	7	75	—	78	78	78	30
Can Permanent	12	—	188	190	189	189	52
Colonial Investment	6	—	8	8	8	8	[illegible]
National Trust	12	—	205	210	210	210	[illegible]
Toronto Mortgage	10	—	80	80	80	80	[illegible]

A SYMBOL

Twenty years ago Thompson-Starrett Company was only a corporate title. To-day it is also a symbol of building efficiency. It indicates both the name of the Company and the nature of its achievements, and is identified with the uttermost attainable standards of quality, speed and economy in building construction.

THOMPSON-STARRETT
Company, Limited
910 Drummond Building
Building Construction

Principal—Interest—Sinking Fund
GUARANTEED 8%
UNCONDITIONALLY

We offer

Asbestos Mines
Limited

8% First Mortgage 10-year S. F.
Gold Coupon Bonds

1. An essential, basic industry.
2. Tangible assets of $552,374.02, equal to $2,200 for every $1,000 of bonded indebtedness.
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4. 7,000,000 tons of asbestos proven up. Other sections, as yet undeveloped, will increase this tonnage.
5. This production, estimated conservatively, will yield net profit of $1.00 per ton.
6. Output for 1923 and well into 1924 already sold. Earnings will take care of annual sinking fund and over five times bond interest charges.
7. Principal, interest and $25,000 annual sinking fund guaranteed.

Price: par $100, and accrued interest to yield 8%

Full particulars on request.

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Limitee
Established 1910
120 St. James Street, Transportation Bldg.
Montreal

RAILWAY EARNINGS

Earnings of the Canadian National Railways for the week ending June 30, were $6,401,463, being an increase of $697,552 or 12 per cent. as compared with the corresponding period of 1922. Gross from January 1, to June 30, amounted to $116,556,160, an increase of $14,163,156.

The Canadian Pacific Railway reports earnings for the first week of July amounting to $3,411,000, an increase of $243,000 compared with the corresponding period last year.

UNLISTED SECURITIES

	Bid	Asked
Belding Paul, pfd.	87	90
Canada Mortgage	63	..
Can. Westinghouse, com.	128	133
Can. Machinery, pfd.	37	42
Can. Marconi Wireless	1.25	1.80
Can. Marconi Wireless	1.25	1.85
Cockshutt Plow, 7% pfd.	43	44
Can. Oil Companies, pfd.	96	98½
Do., com.	..	53
Commercial Finance, pfd.	70	76
Cosgrave Breweries	..	4½
Continental Life	108	..
English Electric, com.	..	16
Do., pfd.	..	75
Dom. Power & Trans, pfd.	93	..
Do., com.	41	44
Dunlop Tire, 7% pfd.	86	87½
Dominion Linens, pfd.	69	74
Excelsior Life	31½	..
Farmers' Dairy	51	..
Fam. Play. 7% p. 50% c.	80	83
Gunns, Ltd. 6% pfd.	..	35
Great West Life	214	..
Durant Motors	8	9
Dominion Mfg., pfd.	58	..
Inter. Milling Co., pfd.	96	..
K. & S. Tire, 7% p. 25%c.	..	35
La Paz Oil	..	30c
Lambton Golf Club	450	500
London Loan	46	51
Loew's Toronto, pfd.	..	60
Do., com.	25	35
Loew's London, pfd.	4	5
Do., com.	1½	2
Massey-Harris Co.	..	49
Manufacturers' Life 20%	55	..
Mortgage Discount Units	9	12
National Brick, pfd.	53	55
Do., com.	11	12½
National Life $25 paid	50¼	..
Norther Can. Power, com.	50	65
Ontario Equitable Life	..	30
People's Loan	65	..
Pantages, Hamilton 7% pfd.	30	34
-Do., Com.	..	2½
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Simpson, Robert, 6% pfd.	91	..
Sovereign Life	18	..
Sun Life Assufance	140	..
Toronto Brick, Co. pfd.	75	..
Trust & Guarantee	76	80
Tiger Tire Units (1 pfd. 2 com.)	..	20
Western Grocers, 7% pfd.	48	51
Whalen P. & P. Co., pfd.	18	20
Western Assurance	6¾	7½
King Ed. Const., pfd.	67	71
Brit. Amer. Assurance	6	7
Can. Assoc. Goldfields	7	11
Can. Kirkland Gold	6	10
Whalen Pulp pfd.	18	20
Alta. Pac. Grain 7% pfd.	93	94½
Do., com.	107	114
Collingwood Shipbldg. com.	50	57

ENGINEER POINTS WAY TO INTEREST BRITISH IN MINES

Looks for Great Developments Over Next Twenty Years

ABSURD PRICES ASKED

Mining Must be Placed on Scientific Basis to Gain Attention of Investors

The utilization of large sums of money on a business basis and the employment of the best trained engineers, were emphasized as the outstanding needs of mining development in Northern Ontario by Edward Cowperthwaite, an English engineer of wide experience in several fields, including the Rand and the United States, in a statement to THE FINANCIAL POST. He declared it as his opinion and that of many eminent British engineers that the pre-Cambrian formation, the high-grade ore, the abundance of water power and the settled labor conditions, combine to offer the greatest prospects for development in Ontario of any area yet discovered. He warns against the opinion that the present developments are a passing phase, as he believes that for many years to come properties will be opened up which will yield as great returns as the leaders already producing.

Mr. Cowperthwaite asserts that almost an unlimited supply of capital awaits investment in mining in this country. He, himself, is representing nearly twenty groups seeking properties and he is at present engaged in considering and inspecting several offers. He believes that sooner or later the English interests will loom large in the ownership of Canadian mines. However, before that can take place, he maintains that some radical changes must be effected. To the Englishman, mining is not a haphazard speculation but an exact science of operation and finance when carried on under legitimate conditions and, as a commercial undertaking, is more profitable than most other forms of enterprise. In proof of this, he alluded to the fact that the best investment houses, the strongest institutions and banks as well as private investors are heavily interested in mines, South Africa being an outstanding example.

Under similar operating conditions, he maintained that all classes of Canadian investors could be induced to share in financing the mining development. He characterized the present system as involving far too much "stock jobbing," which the English buyer will not tolerate. In the first place, development of claims is started without any assurance that adequate capital will be available to complete it. A point is reached where the funds are exhausted and a reorganization is necessary to secure a further supply, resulting in a pyramiding of stock to absurd dimensions.

Many offers have been made to him of properties and he is emphatic in the opinion that only a few were on a sound basis, some of them asking absurd terms. He criticized the practice of doing a small part of the development work on the claims then organizing a company on a stock basis much too large and selling this to the public. He explained that offers of this sort are frequently made in London. In one instance the owners spent $10,000 in going down 100 feet, organized a company with a capitalization of $3,000,000 and attempted to sell it for $1,500,000. In many cases the same property has been offered at several times by different parties at widely varied prices.

His criticism of the methods used in selling properties was outspoken, especially the practice of asking prospective purchasers to buy options. He believes that many English groups will consider any good property provided they have the privilege of sending out a competent engineer to inspect the claims. However, he warns against any attempt to secure a cash consideration. In the case of properties which appear favorable it is usual to form a syndicate and agree to put in enough money to prove up the property, the proceeds to be divided with the owner on an agreed basis. If the development work is satisfactory, a company is organized, the stock underwritten and listed on the exchange. In this way the public is not asked to participate until production is assured. If offers were made on this basis he believes large sums would be available.

He expressed keen disappointment at the small amount of interest shown by the governments in mining, as many of the evil practices could be stopped by legislation. He cited, as an example, the law in England which makes solicitors and directors of companies in England personally responsible for any false statements in prospectuses. In this way, exorbitant and misleading claims are avoided and a high degree of public confidence is obtained.

Making Investments to Avoid Income Tax Levy

Following are further investment suggestions from Canadian bond dealers being submitted to a Nova Scotia subscriber to THE FINANCIAL POST, who has $6,000 or $7,000 to invest, and who points out that his income tax is now fairly large. The suggestions made are qualified by the general explanation that investment houses would prefer to have more particulars regarding the holdings of individual investors before expressing an opinion:

CANADIAN DEBENTURES CORPORATION, TORONTO

If the investor has followed the acknowledged methods of investment, we assume that his holdings are mostly bonds. That being the case, we recommend preferred stocks of well-established companies, such as the following:

Canada Bread Preferred	7%	Price 92.75	Yield 7.55%
Dominion Canners Preferred	7%	Price 87	Yield 8.05%
Maple Leaf Milling Preferred	7%	Price 97	Yield 7.22%
American Sales Book Preferred	7%	Price 90	Yield 7.78%

Should the bulk of his holdings be stocks, then we would suggest that his intended investment take the form of first mortgage bonds. What he would lose in income by such an investment would be compensated for by a greater amount of security for his principal.

Your subscriber mentions that his income tax is now fairly large. The following example, by way of comparison, shows how he might obtain a liberal income on good bonds after paying the tax:

$6,000 City of Halifax 5½% bonds. Price to yield 5.20%.

Cash return	$330.00
Tax 8%	26.40
Net income	$303.60
Net yield	5.06%

$6,000 Canadian Paperboard 7% first mortgage sinking fund bonds due 1st April, 1937. Price 100.

Cash return	$420.00
Tax 8%	33.60
Net income	$386.40
Net yield	6.44%

HARRIS, FORBES & COMPANY, TORONTO

Generally speaking, the average investor should put much more emphasis on the type and quality of the investment than on the taxable or tax-exempt factor. In the case of incomes under say $10,000 this is particularly so.

Your subscriber's income evidently does not exceed say $5,000 or $6,000, for he advises that if good stocks were purchased his income tax would remain the same, and it must be remembered that income from stocks is not exempt from Surtax and Additional Tax which apply on incomes exceeding $5,000 (Additional Tax) and $6,000 (Surtax).

Assuming, therefore, an income of $5,000 and dependents, the tax payable would be $126 or 2.52% of the income; on $6,000 the tax would be $178.50 or 2.98% of the income.

Taking 2½% as an approximation of the tax, only $1.50 would be payable on a 6% $1,000 bond, or $9 on the $360 of interest which would be received from $6,000 invested in good 6% corporation bonds.

There are fine bonds and fine stocks and poor bonds and poor stocks, but it is axiomatic that as a class bonds are safer than stocks. In our opinion the question of taxation in this case is of minor consequence. The policy of investment in bonds or in stocks should be applied to the circumstance of this individual without reference to taxation. Some individuals might consider taking on a certain proportion of good stocks whereas other individuals should confine themselves to the finest bonds. Investment situations differ.

Good provincial and municipal bonds are now selling at prices which show a yield from about 5.10% to 5.35%. Many individuals feel that they can reasonably expect a better return and have turned to good public utility and industrial bonds. Outstanding in these fields are the following:

1. Montreal Tramways Company first mortgage 5% bonds due July 1, 1941, at market to yield about 5.72%.

We have been consistently advising the purchase of this bond as the best traction bond and one of the very best corporation bonds on the continent—a bond of greater intrinsic worth and security than most Canadian and United States public service corporation bonds which are selling at substantially higher prices.

2. Price Brothers & Company, Ltd., first mortgage 6% bonds due February 1, 1943, at 100 and interest yielding 6%.

Price Brothers, in continuous and successful operatoin since 1817, will, upon completion of new installations, be the fourth largest producer of newsprint paper on the North American continent and the second largest in the Dominion of Canada. Principal and interest are payable in Canada, the United States, and in England. The issue was placed in all these countries. An unusually broad market is assured.

JOHNSTON & WARD, HALIFAX

We would suggest as follows:

$2,000 Province of Nova Scotia or Province of New Brunswick 5% bonds due 1943, at par.
$2,000 Eastern Canada Savings & Loan 5½%, 10-year, debentures at par, or Canada Permanent Mortgage, 5-year, 5½% debentures, at par.
$1,000 Nova Scotia Tramway and Power Company, first mortgage 5% bonds due 1946, to yield about 6%.
25 shares Southern Canada Power 6% participating preferred stock, to yield about 6.67%.

This would constitute an investment of $6,950, to yield nearly 5¾%.

Your subscriber states that if he invests in bonds his income tax will become much larger, but if in good stocks, the tax will remain as it is. As he is exempt only to the extent of the normal tax on stocks, it is apparent that his income is not particularly large, and for this reason, together with the fact that he does not give other particulars or circumstances, we would recommend as above.

MUNICIPAL BANKERS CORPORATION, TORONTO

As your inquirer omits to inform you as to the approximate amount of his income and his present holdings, we can only assume that he holds all the non-taxable Victory Bonds that he wants for the present. If he is an investor who sacrifices security for yield he would, of course, have to purchase some of the better preferred stocks or bank stocks, but if he believes in diversification and follows that principle rigidly, we would suggest the following as a suitable investment:

County of Norfolk 5½% bonds, due 1938, to yield 5.25%.
City of London (Ont.) 5% bonds, due 1938, to yield 5.20%.
Municipal Bankers 6% bonds, due 1943, at par.

He might also buy Southern Canada, Preferred, yielding about 6.66%, and Bell Telephone stock. The fact that Municipal Bankers 6% bonds run for a period of twenty years and are secured dollar for dollar by mortgages on improved property, which mortgages are held by a trust company, makes it a very desirable investment to-day for the investor who needs security but is not attracted to government and municipal bonds on account of the low yield return.

Barcelona-Mexican Plan for New Financing

Plans of considerable magnitude for Barcelona and Mexico Tramways are now in progress. Miller Lash, a director of both companies; Charles Merry, secretary, and W. E. Rundle, general manager of the National Trust, which is trustee for the Mexico bondholders, are now in London. It was reported that a Belgian group has acquired the old Pearson holdings in these companies and also in Brazilian Traction, but Sir William MacKenzie, who returned from England yesterday, while acknowledging that plans were under way for Barcelona and Mexico Trams, said that Brazilian Traction was in no way affected by the negotiation.

Alfred Loewenstein, of Brussels, a Barcelona director, is the main party to the deal. It is believed that plans now pending in London will reduce the funded debt of the two companies very materially.

The Barcelona company reports that that company and the Loewenstein group are working amicably, and the fact that E. R. Peacock, a director of the Bank of England, and head of Barcelona, has recently become a director of the Societe Internationale, lends ground for the belief that the deal will be consummated.

DAVIDSON CONSOLIDATED

The ten stamp mill of the Davidson Consolidated Gold Mines has been completely destroyed by fire. The contents of the building, included a motor, stamps, tables and other milling equipment, all of which have been irreparably damaged.

TOOKE BROTHERS EARNED $61,911

Trading Loss of Previous Unsatisfactory Year Turned Into Profit

From Our Own Correspondent

MONTREAL.—Tooke Brothers during the year ended May 31 last, were able to reverse their unsatisfactory showing of the previous year and reported profits of $61,911, as against a trading loss of $58,682. In 1921-1922 an additional $174,983 had to be written off merchandise, but no such deduction was necessary during the past year. The net result of the year's operations has been to increase the profit and loss surplus by $15,000, while in the previous year the balance had been reduced by $242,300. The earnings and charges compared as follows for the two years:

Profit and Loss Statement

	1923	1922
Investment Income	$	$ 25,830
Profits for Year	61,911	58,682
Total Income	$ 61,911	$32,852*
Less Interest	24,254	.....
Deprec. on Mdse.	.....	174,983
Deprec. on Plant and Machinery	18,556	.....
Bond Discount	1,750	.....
Tax Reserve	2,360	.....
Pref. Dividends	.....	34,475
Balance	14,990	242,310†
Prev. Balance	109,831	344,881
Profit & Loss Bal.	$124,821	$102,571

*Loss. †Debit.

Working capital shows a movement upwards from about $750,000 to just under $800,000, the improvement made by the issue in the previous year of $350,000 of bonds having been sustained.

WINNIPEG ELECTRIC

The following are the gross and net earnings of the Winnipeg Electric Railway Company for the month of May and for the five months ending May 31, 1923:

	May, 1923	Increase
Gross	$ 441,306.72	$ 4,687.72
Operating	328,816.13	7,547.51
	$ 112,490.60	x$ 2,859.79
Fixed charges	62,362.00	3,729.11
Net Income	$ 50,128.60	x$ 6,588.90
Five Months Ending May 31		
Gross	$2,374,321.65	$38,568.49
Operating	1,759,787.32	45,408.31
	$ 614,534.33	x$ 6,819.82
Fixed charges	310,765.04	9,582.94
Net income	$ 303,769.29	x$16,402.76

x—Decrease.

STATES MIGHT BAR RED-HEADED CAPTAINS

Sir Guy Gaunt Says That it Would be Better to Run Ships to Canada

LONDON.—Rear Admiral Sir Guy Gaunt, formerly British Naval Attache at Washington, wants to have British liners diverted from New York to Halifax, for he says he sees the possibility of the American Government soon going to the length of prohibiting red-headed captains of liners from entering American ports.

He brought the matter up in the House of Commons recently in asking why the Government could not so allocate the mails as to encourage British liners to go to Halifax. Sir Laming Worthington Evans, postmaster general, replied that mail contracts had already been let for a direct route between Southampton and New York, but the door was left open in case any company wished to make a change.

Sir Guy told the correspondent:

"If British liners went to Halifax, the difficulties affecting prohibition and immigration automatically would be removed. Besides, it would encourage sensible people in America in their battle against the dry fanatics. At present the tail is wagging the dog in America, and unless the concern of the British nation is impressed on the American people, it may be that prohibition against red-headed sea captains entering American ports will be the next thing.

"Breaking open the seals of British liners is a reflection of the good faith of British seamen and is just as ridiculous as if we held up American ships while we seized all horn-rimmed spectacles and chewing gum. The Halifax scheme is perfectly feasible, as the biggest ships like the Olympic can leave there without tugs, and it would mean shortening the sea voyage by a day, which would be a boon to hundreds of passengers who are prone to seasickness."

Public Advised to Fill Up Coal Bins

The strike in the coal mines of Nova Scotia and the threats of the anthracite workers in the United States are giving rise to apprehension regarding the fuel supply, both for industrial purposes and domestic heating next winter. C. A. Magrath, of the government fuel committee, has advised the public to fill up the coal bins now.

New York reports that Canadian industrial interests have made big purchases of coal in Mexico, and Welsh imports are increasing.

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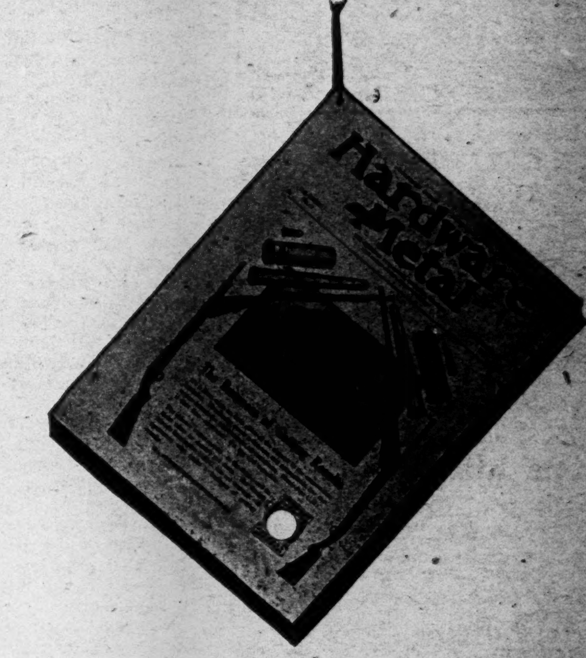

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TROUT LAKE MAY BE DRAINED FOR SILVER OPERATIONS

Woods Fault in South Lorrain Passes Through Centre

PREPARING SURVEY

Geological Conditions Are Said to be Ideal—Camp Producing Very Rich Ore

By Staff Correspondent.

Decidedly interesting mining operations are under contemplation for Lorraine silver camp. They involve the emptying of the water out of Trout Lake, which is located south of the Keeley silver mine and which empties into the Montreal River. The lake is some 90 acres in extent and is shaped like a huge pear. C. L. Campbell, Colonel G. C. Royce and Major J. H. Rattray, M.E., are heads of the syndicate which has taken over the lake from another syndicate of Cobalters. Preparations are being made to have the lake surveyed and have accurate soundings taken.

What makes the lake valuable is the fact that the famous Woods fault, which is producing practically all the high-grade of the Lorraine Camp, has been found to enter the lake at what would be the top of the pear, passing right down to and out at the narrow bottom. Thus the syndicate, if their calculations are correct, would have approximately 4,400 feet of this famous fault.

Expectations are that a most interesting situation will be found right in the centre of the large part of the pear-shaped body of water. Converging into the bed of the lake and toward the Woods fault on all sides are apparently some 10 or 11 major or minor faults. It is believed that these faults all join Woods fault at about the centre of the lake.

The Woods Fault

Considerable has been said in regard to the Woods fault or fracture. The fracture is nothing more or less than a line of weakness in formation, an absolutely necessary condition to allow the mineral values to percolate into the rock. There is evidence that the fracture has been more extensive in the bed of the lake than at any other point along the rest of the fault. There is evidence that the rock geology of the lake is ideal. Then the question is, has the fault mineralized? Operations on the Keeley and Mining Corporation holdings and also on another small holding of some of the directors of the mining operations which lies between Keeley and the lake have shown that there is mineralization on the north side. The Wetlauffer, which is located to the east of the main break, also has shown a high mineralization. A mile south at the head of the lake assays run from 50 to 90 ounces, which shows that there is mineralization on both sides of the lake. It is being pointed out that the situation with regard to faulting is much the same as that of Cobalt Lake, which was also emptied. The geology on both sides of the lake is identical but on the east side the faulting was not nearly as extensive as on the west side. Everyone who is familiar with Cobalt production knows how much more extensive the ore bodies were on the west side as compared with the east side of the lake.

In connection with the operations on properties just south of Keeley, which are controlled by some of the directors of the Mining Corporation, it is understood that on sinking 50 feet of the Woods break they secured values running from 300 to 1,000 over a width of 3 feet.

Generally speaking, the feeling seems to be abroad that the Lorraine Camp is going to prove quite startling. It might be said that practically only two companies, the Mining Corporation and the Keeley, have carried on any work in the camp to date. There are indications that quite a number of companies will soon have development work on the way. That the silver is rich goes without saying. THE FINANCIAL POST is informed that 92 tons of what was practically development ore only, taken out by the Mining Corporation ran 5,000 ounces. On the other hand, ore is being steadily taken out in which silver predominates over the rock content and in the grinding of which difficulty is experienced. Some of it cannot be subjected to the ordinary treatment at all.

J. P. Bickell New Head of Mining Association

Ontario Mining Association members staged their annual gathering at Cobalt, Kirkland Lake, and wound up with a trip to South Lorraine. Problems of the industry were dealt with and visits paid to several properties. J. P. Bickell, of the McIntyre-Castle-Temiskaming and Blue Diamond Coal, is the new president, succeeding Dr. W. Corless, of the Mond Nickel, at present absent in England. John Agnew, International Nickel, is vice-president, and J. P. Watson, Mining Corporation, is second vice-president. R. W. Leonard, Coniagas, Alex Fasken, Nipissing, F. L. Culver, Beaver and Kirkland Lake Gold, make up the executive.

McINTYRE-PORCUPINE

During the month of June the McIntyre-Porcupine treated 28,000 tons of ore, despite the loss of approximately 10 per cent. of the possible running time due to power difficulties. This utterly eclipses any former record in the history of the mine, and tends to show that no difficulty will be experienced in handling 30,000 tons a month, and producing upward of $300,000 in each 30-day period.

CANADA'S RESOURCES

Canada owns or produces:—
90% of the world's cobalt.
88% of the world's asbestos.
85% of the world's nickel.
32% of the world's pulpwood.
20% of the world's lumber.
20% of the world's cured fish.
18% of the world's oats.
15% of the world's potatoes.
12% of the world's silver.
11½% of the world's wheat.
11% of the world's barley.
4% of the world's gold.
4% of the world's copper.

VIPOND IS OFFERED SEVEN HUNDRED H.P.

President and Others Made Inspection of Property This Week

Staff Correspondence.

TIMMINS.—President H. B. Wills, Vice-President R. Shillington, and Manager Dr. McIntosh Bell visited the Vipond this week to view the progress that has been made since operations by steam were undertaken June 1. The rich ore opened up on the 300 level has been cut on the 400 and 500. Owing to the recent bush fire, which burned the transmission line, the pumps operating on the 1,000-ft. level failed and flooded the workings. This has been disappointing, as the level has only been cleaned out again. Development has been such, however, that the company was able to size up the needed mill facilities and decided to shut down any time to save costs. However, Mr. Wills has been practically assured of 700 h.p. from the Northern Ontario Power, and there is little chance of the property halting work. The company has about $200,000 in the treasury, or due it on stock sales contract. This will be employed renovating the mill.

GRANBY COPPER IS ENLARGING HOLDINGS

Market at Present Time is Slightly Restricted—Company's Costs Are Low

From Our Own Correspondent

VICTORIA.—The Granby interests are making it their policy to secure control of the major producing properties of Canada, according to a statement attributed to Colonel J. T. Crabbs, president of the Granby Consolidated Mining & Smelting Company, whose headquarters are in New York. He has been on the coast making a personal inspection of the company's vast holdings in the interior and on Vancouver Island and predicts a resumption of active demand for copper this winter.

"The restrictions on building have had some effect on consumption of copper for fittings and roofing," said Colonel Crabbs. "This condition, however, is temporary and it is expected that there will be a strong demand for copper this fall and winter. As the policy of the Anaconda Copper Company has been to expand its holdings in the United States, the Granby program calls for the operation of increasingly large copper areas in Canada," said Colonel Crabbs. The production of Granby for 1922 was more than 30,000,000 pounds of copper, 405,471 ounces of silver and 6,996 ounces of gold. The average price obtained for copper was 13½ cents a pound, but this price has gone upwards lately and the average for the next few months should be much higher. The average cost of operation was 9.15 cents a pound of copper. Fine dust treated at the Tacoma smelter returned nearly 2,500,000 pounds of copper and 37,033 pounds of silver.

The Granby company now operates a colliery at Cassidy, on Vancouver Island, mainly for the supply of fuel for the plant at Anyox, where the ores are treated. The coal mine yielded 220,013 tons of coal last year. The operating department produced at the lowest cost per ton in the company's history. The gross profits from operations amounted to $1,519,935. Efforts will be made this season to make a fairly complete survey of the Copper Mountain property, recently acquired by Granby from the Canada Copper Company. Dr. Victor Dolmage, of the British Columbia office of the Geological Survey of Canada, has been placed in charge of an expedition to make an examination and report.

Want Experts to Fix Rate on Alberta Coal

The Engineering Institute of Canada and the Canadian Institute of Mining and Metallurgy have both passed resolutions urging that the Fuel Committee of the Canadian Senate and the House of Commons, at present considering fuel problems of Canada, consider also the importance of appointing and providing funds for a committee of coal, transportation and equipment engineering experts to act in consultation with the engineering department of the transcontinental railways to determine both scientifically and experimentally the greatest extent to which the cost of the transportation of coal from Alberta to Ontario can be reduced.

CASTLE-TRETHEWAY

Castle-Tretheway reports 1,250,000 ounces of silver in ore reserves, with a valuation of $775,000 at the current quotation for commercial bar silver. A most favorable feature of the physical condition of the mine is that the mineralization extends over such a width as to assure an average grade of 60 ounces of silver to the ton across a stoping width of four feet, in this respect being not far below the class of the Keeley Silver mines in South Lorraine.

ENGINEERS FROM ENGLAND COMING TO SEE MINERALS

Big British Interests May Put Capital in North

HOLD 6,000 ACRES

Properties Controlled Stretch for 150 Miles—May Buy Beatty, Hattie and Rouyn

From Our Own Correspondent

MONTREAL.—Through the work of a group of Canadian business men a large volume of English capital that had been intended for investment in Russia is likely to be invested in the mining area of Northern Quebec and Northern Ontario. In its preliminary outlines the plans of the group of British capitalists behind the Canadian ventures indicate development of properties on a scale not hitherto attempted by a single unit in the mining history of the north.

The Duke of Manchester arrived in Canada the other day, coming, as he put it, to do some prospecting in the new gold area of Northern Quebec. It now comes out that the Duke represents his uncle, Lord Charles Montague and associates, who are the British end of a large English-Canadian group that have taken many claims throughout Northern Quebec and Northern Ontario. The Canadians in the syndicate include W. W. Butler, president of Canadian Car and Foundry Company: Senator Nathaniel Curry, of the same company, who is also a director of the Bank of Nova Scotia; Dr. W. P. St. Charles, of Toronto, a director of the Lake Shore Mines; Arthur G. Slaght, of Toronto, also a director of Lake Shore, and John Papassimakes, who is well known among mining men in Ontario.

Now Controls Hattie and Beatty

The syndicate has concluded deals for control of the Hattie and the Beatty mines, it is stated, and is now negotiating with the owners of the Platt Vet. in Porcupine and the Rouyn Gold Mines, in Northern Quebec, for control of these companies. All these properties are located along a 150-mile stretch of mineral land that the syndicate proposes to explore and interest itself in. In all some 6,000 acres of mining properties are now controlled along this mineralized zone and these will be taken over by a Quebec corporation known as Quebec Gold Rand Company, Limited.

It is possible that the Russian Asiatic Corporation, which was financed with British money for the operation of properties in Russia, will take a large interest in this company and divert a part of its funds to Canada for this purpose.

At the present time the Duke of Manchester is in Montreal, and important conferences are being held almost daily to outline future policy. In the course of a few days English mining engineers will arrive who will go north on their arrival to carry out extensive preliminary exploration work on the various properties in the belt.

The plans of the syndicate are of particular importance to Canada because they mark the definite entrance into Canadian mining of British capitalists who have been instrumental in developing the South African gold fields and they suggest a diversion of interest in London from the Rand to Porcupine, Kirkland Lake and Rouyn.

HIGH GRADE SILVER AT THE PROVINCIAL

Old Cobalt Mine Re-opened—Has Promising Outlook—Big Development Program

The old Provincial mine has been reopened. Messrs. C. L. Campbell and Major J. H. Rattray, who have associated themselves with Col. G. C. Royce, have been most persistent in their efforts to secure a property in Cobalt, have taken hold of the Provincial and are already working high grade ore. They are operating at the present time on a small high grade vein on the 100 ft. level, which is giving very excellent values. Besides the high grade ore there is excellent commercial ore in the wall rock to be mined.

The Provincial is a property of very interesting prospects. To the west of the central shaft there are 15 to 18 acres of virgin mining lands. On this there are several known veins which have never been touched. To the northwest of the property near the Cart Lake boundary there is a shaft which was opened some years ago, and it is proposed to mine from this shaft and work down along towards the west boundary to cut some of the veins known to exist. This crosscut will pass through a section which is heavily overburdened, making surface prospecting impossible. It is possible that other veins may be intersected by the crosscut.

The vein which the Mining Corporation opened up on Cart Lake holding of the Peterson Lake is shaping up much better than was expected. The silver content is high. The strike of this vein is south by west towards the northern boundary of the Provincial mine.

Test of ceramic clay resources in British Columbia are being planned this summer by the B. C. Government. The tests will be made under the auspices of the Department of Education and the Department of Industries. There are many varieties of clays in British Columbia and some are reported to be particularly suited to the manufacture of high class pottery ware.

A Company With a Record
The Great-West Life has an unequalled record of profits paid to policyholders—this because of its high interest earnings on investments—favorable mortality and low expense rates.
Actual Results are the proof. Write for copies.
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THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

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in doubtful stock promotions which "high-power salesmen" are continually foisting upon the public. Make the
SAFETY OF YOUR CAPITAL
the first consideration. You can achieve this and obtain
FIVE AND ONE-HALF PER CENT.
interest, payable half-yearly, by investing in the Bonds of the Canada Permanent Mortgage Corporation, one of Canada's oldest and strongest financial institutions. It was founded in 1855, more than twelve years before Confederation, and from small beginnings has grown till it now has
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Reserve Fund and Accumulated Profits 7,334,155.90
Assets 41,365,608.36
Canada Permanent Mortgage Corporation
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Intelligent advisory service
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Dominion Textile Company
LIMITED
Manufacturers of
COTTON FABRIC
MONTREAL TORONTO WINNIPEG

ALGOMA STEEL CO'S BUSINESS EXPANDS

Big Increase in Payroll as Compared With Same Time a Year Ago

The following figures of production and bookings of the Algoma Steel Corporation, indicate the expansion in the steel industry during the first six months of the year:

	1923 G. T.	1922 G. T.
Pig iron and spiegel ..	118,490	107,865
Steel ingots	116,356	72,820
Blooms	103,337	61,293
Billets	14,578	5,234
Track fastenings, merchant material, etc .	9,480	5,407
Rails	75,999	51,176

Our sales for the same period were:

	1923 G. T.	1922 G. T.
Pig iron and spiegel ..	63,067	35,110
Billets	3,519	
Rails	73,458	51,885
Track fastenings merchant material, etc. .	7,681	5,046

Practically all material sold has been absorbed by railways and general industrial requirements.

The volume of our unfilled orders at May 31, 1923 was:

Pip iron, billets, rails, etc.,	82,878 G. T.
Light sections, such as track fastenings and merchant material	17,092 N. T.

The number of employees on the company's payroll at May 31, 1923, was approximately 2,600, as compared with about 700 a year before.

BUSINESS HOLDING UP

James W. Sewall, of Old Town, Maine, and Washington, D. C., whose business of timber cruising, mapping, and land appraisal usually reflects the condition of the lumber and pulpwood trade, reports the highest activity in his work since 1917.

From his northern office Mr. Sewall has crews at work, not only in Maine, but in Vermont, Ontario, Quebec and Nova Scotia. His organization has looked over about a million and a half acres so far this year, and new work is coming in every week, with no present signs of any let up. Mr. Sewall feels that this augurs well for at least the immediate future.

CANADIAN PUBLIC DID NOT WARM UP TO BRITISH PLAYS

Heavy Losses Forced Trans-Canada Theatres to Cease Operations

SMALL GOT MILLION

Missing Millionaire Provided Company With Nucleus of Its Theatre Holdings—Shareholders May Lose

From Our Own Correspondent

MONTREAL.—Another proof of the speculative nature of the business of amusing the public was the decision of Trans-Canada Theatres to wind up its affairs. Most of the productions brought from England by the company proved financial failures and eventually a curtailment of activities was undertaken in an effort to prevent further loss. But continued depression in the theatrical business forced the final decision to go out of business. Shareholders will lose heavily. The officials of the company hold out little hope for them realizing anything on their holdings.

The now notorious million-dollar cheque handed to Ambrose Small and deposited by him in the bank just before he disappeared was given by Trans-Canada Theatres. With it the company purchased Small's extensive chain of theatrical enterprises across Canada, embracing the Grand Opera House in Toronto, which is now more valuable as real estate than as a theatre, and theatres in London, Kingston, Hamilton and other Ontario towns and cities. Small also got a sort of second preferred stock to an amount of $750,000 for his holdings and on this his estate will probably realize nothing.

Other Theatres Added

Trans-Canada Theatres added to their chain a lease of His Majesty's Theatre in Montreal, booking rights in theatres in Vancouver, Winnipeg, and other Western centres, and proceeded to construct a beautiful new theatre in Edmonton at a cost of close to $400,000. This theatre and the Grand Opera House in Toronto form the chief assets of the company to-day.

Having built up a chain of theatres stretching from the Atlantic to the Pacific, the company planned to bring out theatrical productions from England, hoping to benefit from the knowledge of British players gained by Canadian soldiers overseas and to appeal as well to the strong British element in Canada. The first production, "The Maid of the Mountains," was an amazing success on its first tour. Other productions met with difficulties and some were absolute failures financially though widely exploited.

Shareholders have now been called together for a special general meeting to be held on July 16 to authorize liquidation of the company.

The capitalization of Trans-Canada Theatres, Limited, as organized in 1919 was:—Seven per cent. first preferred stock, cumulative, preferred as to assets and earnings, authorized $1,500,000, issued $1,250,000; second preferred stock, no interest, taken by Ambrose J. Small as part payment for his assets, to be retired at the rate of $37,500 per annum, $750,000, issued $750,000 common stock, authorized $1,500,000, issued, $1.500,000.

The officers of the company are:—President, H. W. Beauclerk; vice-president, George Driscoll; secretary, S. W. Hicks. Mr. Beauclerk is vice-president of Brompton Pulp & Paper and a director of the Bank of Montreal.

Abitibi Breaks Records for Daily Paper Output

From Our Own Correspondent

MONTREAL.—Newsprint machine are large and bulky and often take a year or more to get "tuned up" for maximum production. This has been the experience of Abitibi with its new machines in Iroquois Falls, and almost weekly new records for production have been piled up.

In June Abitibi averaged 471.9 tons of newsprint a day, which is 8 tons a day higher than the previous records made in midsummer a year ago. The total production in June was 12,270 tons. For the week, ended June 30, the production reached 477.60 tons per day.

This increased production is of importance to investors because it is the result of increased efficiency of men and machines and adds to earnings without greatly adding to production costs. It is, so to speak, largely "clear profit."

New Manitoba Mill for 30,000 Tons Newsprint

From Our Own Correspondent

MONTREAL.—Announcement is expected in a few days as to the financing plans of the Manitoba Pulp and Paper Company. Two Montreal houses will likely join to offer the bonds. Negotiations, reported in last week's issue as being in progress, are still further advanced.

The company will turn out about 30,000 tons of newsprint annually and it is understood that newspapers in Winnipeg have contracted for about a quarter of the output, while newspapers in a large American city will take the balance.

The mill, which is being erected by interests headed by J. D. McArthur of Winnipeg, will be the most centrally located in Canada. The site of the proposed plant is about twelve miles from the Manitoba Power Company's developments and it is proposed to purchase power from this company's units.

City Dairy Regarded as Being Near Investment Class To-day

Issue is Highly Regarded by Many—Earned 31 Per Cent. on Common Last Year—Financial Position Strong—Management Efficient

Few stocks now traded in daily on the Canadian exchanges has had such a spectacular career as City Dairy. As late as March, 1918, the stock sold down to $30 a share, while last year it recorded a high of $153. It is a truism that the price of a stock on the exchange reflects earnings. It was true in the bad years of 1916-17, and it is true of the good times which the company now enjoys.

It is a vastly different and superior City Dairy to-day than it was before the break, the first reflection of which was in the 1914 earnings. To-day the company is on a different basis. It has prospered in every way. The milk business has developed in keeping with the growth of the city. The ice cream business has come forward with leaps and bounds, while the new subsidiary, the Drimilk Co., has shown steady expansion.

To-day City Dairy is a well-rounded out concern, steadily striving to give its customers the best product on the market. Steps in this direction have been many. In the first place the company has practically rebuilt its large Spadina Avenue plant. This has been done out of earnings. Its milk plant is regarded as a model. Witness the number of milk vendors from other large cities who visit the plant in search of improved ideas. The ice cream plant is regarded as one of the best on the continent.

Spreading Good Will

The next step was to ensure a continuous supply of good milk and cream. Good-will among the producers who supply the company, an essential, has been carefully looked after. The company has established large milk depots throughout the country as gathering points for milk. It is then shipped to the city. The question of a supply of cream was for a time troublesome. Then the Drimilk business was taken up. This takes care of a supply of cream at a times, while the Drimilk Co. shows a steady growth and expansion and is yearly turning over an additional profit to the parent company.

Another step towards a better product and sowing good-will throughout Toronto, has been the marketing of a special certified milk for babies. This is a special branch of the business that is steadily growing. Doctors have shown an appreciation of such a supply, especially in the summer, and the company has thus a large army of unpaid boosters.

In Investment Class?

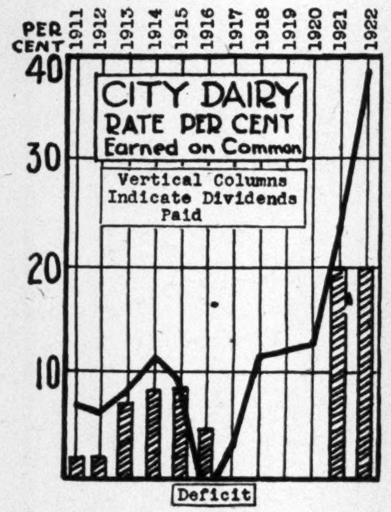
By investors City Dairy is well regarded. Despite the severe breaks that have marked the issue in the past (these are clearly shown in the accompanying charts) there are many who regard the common stock of the company as being close to the investment class. These contend that the business of the company is not affected by the ups and downs of business. But the company's history should not be forgotten.

The break, which started in 1914 showed a decline in earnings of $17,000. The next year saw net profit well below half the amount necessary to care for the dividends on preferred and a deficit was piled up. This continued for a year and three-quarter while the common shareholders went without dividends until 1920. In t meantime, however, there had been spectacular recovery. Earnings went up with leaps and bounds and the fact that the common shareholders did not share in this renewed prosperity for so long is explained by the fact that the company practically undertook the rebuilding of its plant out of the profits.

Management Efficient

The story of the company's comeback can be described in one word "management." Following the crash of the earnings of the company, there was a re-organization. W. J. Northgrave took hold and progress ever since has been quite spectacular. To-day, with net earnings at their present level over $225,000; with such a large surplus of $420 000, besides a bond investment of $203,875, this has all been accomplished with less than a .25 increase in the selling price of the company's main commodity, milk. The decline in costs is the explanation. It is a matter of no little pride to the present management to be able to point to the fact that the greatly increased earnings have been accomplished with less men and less delivery outfits.

Higher efficiency on the part of the staff and more attention to essentials with the elimination of nonessentials, is in a great measure due to the steady growth in the company's profits.



Earnings of City Dairy are steadily mounting as shown by the above chart. The dividends paid are also shown.

Will it Continue?

The question has been asked if this increase in earnings may be expected to continue. The answer to this would be that business conditions must govern. These, as has been pointed out, will affect milk sales, while weather conditions will play their part with the ice cream business. However, it can be fairly well accepted that the company's milk business will be as near stable as it is possible for a business of that kind to be. It is a boast of the company that its wagons go on every street of the city of Toronto every morning. As the city grows, a company so efficiently managed should have no trouble in keeping pace with the city's expansion by securing its share of the new business. On the other hand there is one more phase to be considered: any out-pouring of families from the city. The decline of milk sales in the hot summer, when families move out of the city to summer cottages or leave the city for a few weeks' holidays, al' show in the daily receipts of the company.

"If this weather would keep up we could soon start a bank," said the manager on a hot day recently when asked how the ice cream business has been this year. He says that despite the weather there has been a steady expansion in this end of the business. The company's first venture in the ice cream business was in 1906. In 1910 the increased business in this department was 464 per cent. over 1906. The expansion ever since has been steady.

Position Strong

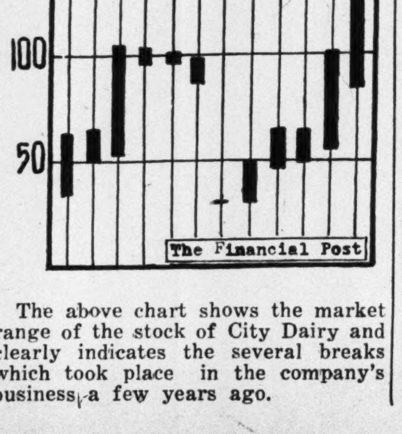
The financial position of the company is strong. Besides setting aside yearly a goodly sum for plant depreciation, it has a surplus over from 1922 of $421 586. Its bond investments total $203.875, while its investment in subsidiaries, which all show a profit total $260.225. Its plant and equipment is to-day in such a state that little or no expenditure for improvements will be needed, while there does not seem to be any possible reason for a capital increase.

Below will be found a statement of the capitalization of the company with the plant valuation as shown in the 1922 report following:

	Common	Pref.
Prior to 1907	507.200	202.200
1907	57,800	57.800
1909	......	100,000
Price Purch	......	175,000
1911	......	75,000
	565.000	700,000
1913 reduced	282,500	......
	282.500	......
Apr., 1913. Sold at par	282,500	......
Present Capital	565.000	700,000
Goodwill and plant valuation		1,488.596
Sinking fund and reserve ..		44,753

The statement of profits with the percent. of earnings on the preferred and common follows:

Year	Profits	Per Cent. on Pf.	Per Cent. on Cm.
1907	40.787	10.57	2
1908	45,689	10.75	3
1909	52,154	10.44	2.56
1910	59,408	12.35	4.16
1911	99.658	15.04	7.27
1912	104,136	12.02	6.22
1913	114.650	12.95	8.33
1914	118,955	16.98	12.39
1915	101.647	14.52	9.32
1916	18.018	2.57	....
1917	70,275	10.	3.76
1918	112.022	16.	11.15
1919	115,390	16.48	11.75
1920	117.770	16.82	12.17
1921	163.778	26.59	24.24
1922	225,437	32.20	31.



The above chart shows the market range of the stock of City Dairy and clearly indicates the several breaks which took place in the company's business, a few years ago.

National Lines Are $15,000,000 Ahead

From Our Own Correspondent

MONTREAL. — The government railways ended the first six months of the year with the $100,000,000 mark in gross earnings left far behind. For the half year they totalled $116.556.161, which is $14,163,156 ahead of 1922.

The larger part of the increase, it is learned, is the result of larger traffic on the Grand Trunk and Central Vermont portions of the National lines.

During June, construction contracts awarded in Ontario, according to MacLean Building Reports, Ltd., amounted to $21,148,700, compared with $23,050,100 in May and $15,984,100 a year ago.

NOVA SCOTIA COAL FOR ONTARIO HOMES

Can be Had if Coking Ovens Are Established, Says B. E. Steel Engineer

By F. W. GRAY,
Of the British Empire Steel Corporation.

A crying need of the provinces of Ontario and Quebec is an assured supply of suitable fuel for domestic heating at a moderate price. The small householder cannot longer afford to pay from $18 to $20 per ton for anthracite, and he cannot look for much relief in the price of anthracite, if any. Indeed, as the years go by, it will become dearer and increasingly hard to obtain.

There is made here in Sydney from Sydney coal a by-product, coke. This is a fuel that has all the desirable qualities of anthracite, but in greater degree; 8 tons of it is equal to 10 tons of the best-quality commercial anthracite. By the erection of coke ovens in Montreal and other cities of Quebec and Ontario, it is possible to provide the householder with a fuel that will cost him less than anthracite, will give him greater heat—with less labor, and will relieve Canada of the necessity to import anthracite. If this were done, the mines of Nova Scotia would have an annual market for coal that would be absolutely dependable and steady; the quantity of coal mined in Nova Scotia would increase, and it would be unnecessary to send money out of the country for imported anthracite.

The manufacture of domestic coke from Nova Scotia bituminous coal in the large cities of Ontario and Quebec is one way in which Nova Scotia can help those provinces, and in turn receive very considerable assistance herself, and in combination add greatly to the wealth of the Dominion.

CALM, AFTER STORM, ON TRAM POWER SEA

But There is Another Squall in Offing for Annual Meeting Next December

From Our Own Correspondent

MONTREAL.—For the while there is comparative quiet in the affairs of the Montreal Tramways and Power Co. Most of the shareholders, it seems, are ready to wait until the meeting called for December 20th, and are ready to see what the committee of investigation into the company's affairs had to say. The resignation of one of the members of the committee, who was to represent the militant group, has been disappointing to them, but the committee may be continued with four members instead of five.

There was a fair majority for President E. A. Robert on the vote of the appointment of the committee, but this is not taken as indicating the views of the shareholders on the question of management at all. Many of those opposed to the present control and operations of the company voted for the committee named by Mr. Roberts because they were not interested in the membership of the committee so much as in the broader question of ultimate control of the company and the operation of its affairs. Thus the vote for the Robert committee is not considered a vote of confidence in the president.

It is freely talked about by some of those opposed to the present management that a meeting will be called before December 20th and that the present board of directors can be changed at this earlier meeting. These shareholders, led by Mr. E. A. Morgan, K C., who is largely responsible for the decision to call the meeting last week, are continuing their pressure on the directors. Mr. Morgan, who was denied admittance to the meeting because his shares were registered on April 4th, whereas they should have been registered on April 3rd to qualify at this meeting, still claims that the company had no legal right to deny him admittance and has offered to put up a bond of $1,000 if Mr. Roberts will put up the same amount. The question of his right to attend the meeting would be decided by any of the following gentlemen: Right Hon. C. J. Doherty, Sir Charles Peers Davidson, or Hon. Judge Fortin. The loser would pay the cost of the opinion and would pay his $1,000 deposit to any hospital that the one who is right should designate. Mr. Robert has not yet accepted the offer.

But, as was pointed out last week the center of interest has now shifted to the annual meeting on December 20th next for all practical purposes and investment interest in the fight for control has temporarily subsided.

Ten-Story Building for National City Co.

From Our Own Correspondent

MONTREAL.—The National City Company, which is now occupying temporary quarters in the former offices of the United Financial Corporation at 112 St. James Street, will be in its own structure shortly. A well-designed ten-story structure, to be built by a company known as the National City Building Company, Limited, will be erected it is planned, on the site of the Standard Life Building on St. James Street, which was destroyed by fire some time ago. The National City Company will occupy the ground floor and a large part of the remainder has been leased to other financial and business concerns. It is likely that a public bond issue to the amount of $600,000 will be offered by the corporation that is erecting and will operate the building.

With the filling in of this gap St. James Street will have few eyesores in the financial district. Modern buildings, mostly of ten stories, have rapidly filled out the street.

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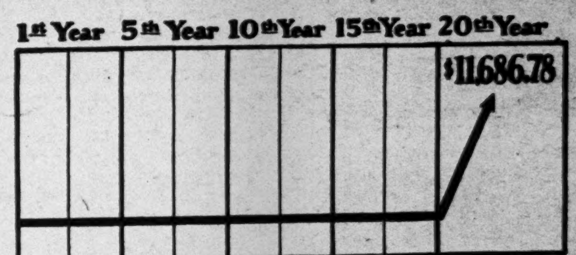

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WEST AFRICAN PRODUCTS

Messrs. Elder Dempster & Company, Limited, Montreal, have at present on exhibition in the Exchange Hall of the Montreal Board of Trade a small but representative exhibit of British West African products. This exhibition has been organized for the purpose of increasing interest in trade with the British West African colonies, especially in the way of direct shipments, and in the furtherance of Inter-Empire trade. The exhibits include a considerable number of tropical products, some of which (such as crude rubber, palm and other oils, dyewoods, etc.) are at present being bought by Canadian manufacturers chiefly through United States channels. It is intended that the exhibit should be placed on view in the Canadian National Exhibition in Toronto in September next.

The salmon pack of the year 1922 totalled 1,290,326 cases as against 603,648 cases in 1921, is revealed in the report for 1922, issued recently in Victoria, B.C., by Hon. William Sloan, commissioner of fisheries. The value of the 1922 pack is estimated at $11,247,000 as against $8,577,602 in 1921, and $15,129,000 in 1920.

MONEY, BANKING AND EXCHANGE

$600,000 STOCK OF LATEST BANK OFFERED PUBLIC

Appeal of Preliminary Letter of Promoters is to Farmers

From Our Own Correspondent

MONTREAL. — With its charter from Parliament all arranged, La Banque Rurale is now proceeding to sell the necessary amount of its capital stock to enable it to start actual banking operations. That the stock will be offered largely to farmers in the province of Quebec is evident, for the promoters of the enterprise have couched their preliminary statement in language appealing to the rural elements of the community.

Farmers, it is promised, will be given all possible opportunities to get loans from the bank for the purchase of farm implements and, when possible, special loans will be made to allow the purchase by large quantities to reduce the price. On the other hand, loans to commerce and industry will also be made but will be subject to the approval of shareholders to prevent any heavy losses being sustained by the bank. Good guarantees will be required and money will be liberally advanced when these are given.

The statement is made that the main object of the bank is to help farmers in the exploitation of the soil by allowing them to get temporary financing relief when in need.

The authorized capital of the bank is $2,000,000 and the present plans of the men behind the new bank provide for the immediate offering to the public of $600,000 of shares of $100 par value. A price of 105 will be asked as the additional $5 per share will pay organization expenses and allow for the creation of a small reserve. An instalment plan of paying for the stock is provided for.

A campaign will be initiated at once throughout the province of Quebec for the sale of the 6,000 shares now going on the market. Following the completion of this financing, branches will be opened at suitable points and a head office organization will be built up.

The general manager of the bank will likely be Napoleon Lavoie, who was formerly general manager of La Banque Nationale, and who is believed to be chiefly responsible for the formation of the present organization. The preliminary offering letter is signed by Mr. Lavoie in addition to Hon. J. E. Caron, Minister of Agriculture of the province of Quebec; Adhemar Gagnon, importer; Joseph Sirois, notary public; Louis Letourneau, M.L.A. and manufacturer; C. J. Lockwell, real estate agent; Arsene Denis, farmer and president of the Quebec Co-operative.

London Advances the Rate on Money

NEW YORK.—Raising of the Bank of England's discount rate to 4 per cent. from the 3 per cent. at which it had stood for nearly a year, was the most striking event of last week in the New York market. This action by the Bank of England was a necessary corrective to the difference in rates between New York and London which had apparently led to large American borrowings in London and the consequent decline in sterling exchange. Following the rise in the rate sterling advanced from its low of $4.54½ last week as high as $4.57 on large transactions, and held part of this gain. In London the rise in the rate (anticipated for some days) squeezed out many speculative accounts on the Exchange, the banks joining by closing out weakly-backed accounts.

TRIBUTE TO BANK MANAGER

Late H. H. Rowley Was Highly Regarded in Victoria

The Victoria, B. C., Colonist of June 28 pays the following editorial tribute to the late Mr. H. H. Rowley:

The passing of Mr. H. H. Rowley, manager of the local branch of the Union Bank of Canada, is a distinct loss to both the banking and social life of this community. He was a man of sterling character and of ability of which he had given in a wholehearted way to the service of banking with which he had been connected for so long. Mr. Rowley as a citizen was an asset to Victoria. His interests were varied and always well directed. In church work and in efforts to promote character development among the youth of this city he will be remembered for long, and always with gratitude. His splendid health never gave warning that his career was likely to be terminated so abruptly. There are very many citizens to whom his kindly personality and robust nature were a tonic and in many circles of public endeavor he will be keenly missed, as well as in the banking fraternity where he was so deservedly popular. To his widow and relatives an expression of the deepest sympathy will go out from Victorians who admired and respected the late Mr. Rowley.

Two brothers survive—C. W. Rowley, of the Canadian Bank of Commerce, Winnipeg, now holidaying in Europe, and O. R. Rowley, of the Bank of Montreal, Montreal.

Commerce

W. H. Lugsdin, who has been manager of the Bank of Commerce in St. John for several years, was recently transferred to Moncton, N.B. Owing to illness, Mr. Lugsdin has been compelled to return to his home in St. John to recuperate.

Financial Men Puzzled by Exchange Situation

Business and financial interests are puzzled over the present weakness in Canadian exchange. The dollar is selling in New York at a discount of over 3 per cent. at a time of year when the opposite tendency is usually in evidence. The period when heavy demands for New York funds for the semi-annual interest and dividend payments is now over. One suggestion of the cause made by a well-informed bond man is the scarcity of Canadian bond sales in New York.

NEW YORK FUNDS

July 5—New York funds opened at 2 7-16 and firmed to 2½% at which rate the market closed.

July 6—Opened unchanged at 2½% premium and closed at 2 9-16.

July 7—Opening at 2⅝ funds moved up to 2¾ at the close.

July 9—Funds opened strong at 2¾% premium, and firmed to 3% at the close.

July 10—Opened unchanged at 3% premium, and sold off to 2 13-16 at the close.

July 11—Funds opened at 2 13-16, but sold down to the low and closing rate of 2 9-16.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
July 5	4.55¼	5.87	4.30½
July 6	4.56⅛	5.78½	4.22
July 7	4.56⅛	5.80	4.21½
July 9	4.56⅜	5.80	4.26
July 10	4.57⅝	5.89	4.28½
July 11	4.58 5-16	5.93½	4.36

Thinks Bank Clerks Better Off Un-Unionized

Bank clerks should not organize a union, in the opinion of the Montreal Witness, which says it would be "a peril to our banking system." It proceeds:

"We have always looked upon the whole personnel of the banks, who are indeed all clerks of higher or lower grade up to the manager or president who is the chief cashier, as co-operating cordially for the honor and success of the bank, each of course looking forward to bettering his position and hoping for his turn at the top. What is the effect of unionizing? There is an immediate cleavage between those above and below the union line and a tacit antagonism. The clerk is no longer for the bank but for the union, his higher allegiance is not to the institution but to the union. This would seem to be Mr. Woodsworth's ideal condition, as he is striving to have the union principle put into the bank act."

Banks Taxed Higher Than Other Business

Declaring that under present laws, banks pay a higher rate of taxation than other business enterprises, John McHugh, president of the Mechanics and Metals National Bank, New York, one of the principle speakers at the thirtieth annual convention of the New York State Bankers' Association at the Hotel Traymore, Atlantic City, June 11 to 13, urged an intensive campaign to bring about the enactment by the next New York Legislature of laws which will place all state and national banks in New York under the provisions of the State Income Tax law, as it applies to other corporations.

Empire Settlement Scheme in Australia

VANCOUVER.—Sir George Fuller, premier of New South Wales, speaking at the Board of Trade luncheon, told of his mission to London to get approval of the Imperial government for his new immigration scheme and to preach the gospel of development of trade within the Empire. Last year the Empire Settlement Act had been passed, which would go very far in building up New South Wales into the great and prosperous state it was entitled to become by reason of its vast resources. Arrangements were already in hand to place 6,000 families on the land, and their members would be trained in local conditions and given a living allowance while they were acquiring the knowledge which would enable them to become valuable settlers.

Speaking of the Imperial Economic Conference in London next October, he forecasted Canada and Australia standing together in demanding an extension by Great Britain of reciprocal trade preference within the Empire.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	July 5, 1923	Change	%
Montreal . .	$113,595,044+	$15,734,676	10.6
Toronto	95,327,939—	7,770,250	7.5
Ottawa . . .	7,608,498—	302,333	3.8
Hamilton . . .	6,680,970—	324,233	5.1
Halifax . . .	3,229,891—	727,788	18.4
St. John . . .	2,720,629—	293,379	9.7
Brantford . . .	1,170,995—	57,619	4.6
Kitchener . . .	983,056—	164,525	14.3
Sherbrooke . . .	883,584—	50,653	5.3
Peterboro' . . .	803,946—	84,863	9.4
Kingston . . .	901,568—	156,078	14.7
Moncton . . .	770,541—	448,543	37.0
London . . .	3,375,971—	96,284	2.7
Total East . .	$238,052,592+	$ 5,268,218	2.3
Quebec	6,678,162		
Windsor	2,879,956		

WESTERN CITIES

	July 5, 1923	Change	%
Winnipeg . .	$ 35,626,388—	$ 3,422,123	8.7
Vancouver . . .	16,934,836+	2,808,693	19.8
Calgary . . .	4,126,213—	1,118,293	21.3
Regina . . .	3,236,621—	532,236	14.1
Saskatoon . . .	1,383,925+	160,613	13.1
Moose Jaw . .	1,413,926—	39,085	2.7
Ft. William . .	941,269+	179,606	23.5
N. Westminster	685,992+	96,144	16.3
Brandon . . .	609,626—	45,069	6.8
Lethbridge . .	861,645+	326,606	60.9
Medicine Hat . .	423,548+	24,807	.6
Prince Albert . .	337,419—	71,252	12.4
Victoria . . .	2,087,393—	425,775	16.9
Edmonton . . .	5,478,252+	1,309,945	31.3
Total West . .	$ 74,146,053—	$ 747,519	1.1
Grand Total . .	$312,198,645+	$ 4,520,699	.1

WHOSE JOB IS IT TO LOAN FARMERS CASH THEY NEED?

(Continued from Page 1)

tion that if the leaders of banking and the leaders of mortgage lending in Canada invited a few of the Western farm leaders to sit across the glass-topped table with them for a few days of liberal ventilation of the problem, more might be learned—and accomplished—than a Royal Commission would dig out in weeks of investigation.

Some, who are paying attention to the murmurings of rural discontent, are of the opinion that the immediate problem is to work out a scheme to relieve Western farmers of their present liabilities; not by indirect governmental bonuses, as was done in the case of the Newfoundland fishermen, who were given "loans" by the government of that Dominion, but by working out a scheme for funding the present indebtedness to relieve the pressing nature of these liabilities. One of the most prominent members of the banking and finance committee puts it this way: "The farmers in the West, like almost everybody else, overborrowed and deflation was very hard on them. The real problem of the West is, how are the farmers to liquidate their present liabilities? If there were any scheme by which that load could be lifted from them at once, and the payments spread over a long period, it would be a great relief to them and, in fact, the whole country."

One suggestion to this end is the formation of a gigantic credit corporation, to be financed by capital stock subscriptions from the federal and provincial governments, large financial institutions and important business concerns which would pay off the farmers' loans to the banks and accept from the farmers security for payment over a long term of years. But, of course, this suggestion presents other questions. Why should the Western farmer among all the classes of people in the whole world who got into difficulties from a too-free use of borrowing be blessed with an easy cure for his ills? And wouldn't such a corporation with government support be tainted with political influence? The temptation for the farmer would be to let his loans slide. It might merely make it easier for him to contract new liabilities of an unwarranted nature.

Certainly there are a lot of well-informed people who think that there is no form of credit that can be created than will do more than prolong the difficulty, who believe that the only solution is for the farmers to get down to hard pan and get over the idea that the government will pay their debts if they yell loud enough. These people point to the credit schemes of all shades and colors that are being tried out in the United States—and Canada too, for that matter—and that are not having prosperous consequences. Such schemes have only proven that credit is not a substitute for hard work; that borrowing cannot take the place of production.

Immigration Awaits Aggressive Action

From Our Own Correspondent

MONTREAL.—The flying trip across Europe of E. W. Beatty, president of the C. P. R., in which he covered eight countries, convinced him that prospects for Canada getting further immigrants from Europe are excellent. Mr. Beatty said this week:

"On the whole I have returned with very firm convictions that the prospects for increased immigration into Canada are excellent. All we seem to need is a little extension of the overseas organization and a personnel of thoroughly well-informed agents who will not fall into the error of giving inaccurate information as to the prospects in Canada. Coupled with that we will require the assistance in Canada of an organization such as the 'Western Canada Colonization Association' has now become, to assist in the placing of immigrants and adapting them to their new surroundings, upon which the possibility of success so greatly depends and the ability to do which has contributed so largely to the success of the Salvation Army and other similar organizations which have been such steady providers of good settlers into Canada. A few immigrants who fail to succeed, or who are induced by over-enthusiastic representations to come to Canada and meet with unexpected conditions when they arrive, are the greatest deterents to other arrivals."

English Interests Look Into Attendu Engine

From Our Own Correspondent

MONTREAL.—Mr. Bentley, of Bolton, Lancashire, has recently arrived in Montreal to investigate the possibilities of the Attendu engine for large English interests. Mr. Bentley is an expert engineer and the managing director of Musgraves, an English firm making Diesel and turbine engines.

The Attendu is an internal combustion engine working on the principle of the Diesel engine but with sliding or flexible power. It is intended to adapt it for automobile use. Some $200,000 worth of stock has been sold, the majority of this in Montreal.

"Split Up" of Indian Mines Stock in Hand

From Our Own Correspondent

MONTREAL.—The meeting of shareholders of Indian Mines to confirm the increase of capitalization and split up of stock has been postponed until July 23, when the proposals are likely to be confirmed. The capitalization is being increased from $1,500,000 to $3,000,000. Shareholders will receive one and a half shares in the new company for each single share formerly held and this will leave $750,000 of stock in the treasury to finance future developments.

DOMINION ALLOY STEEL

At a meeting of leading citizens of Sarnia with officials of the Dominion Alloy Steel Corporation the affairs of the Steel Corporation were reviewed. The corporation had some time ago purchased 250 acres of land on the St. Clair River, and the meeting was called to enable the officials and the citizens to come to an understanding in regard to the project. It is reported that in the course of the discussion it transpired that the company was prepared to go ahead with the erection of the first unit of the plant, contingent of one million dollars of stock being subscribed. The second and third units would afterwards be extended from the first. The erection of this portion of the plant was estimated to take about 10 months. The amount subscribed up to date is $200,000 and the six directors have $50,000 between them. It is estimated that the first unit will produce from 30,000 to 50,000 tons of steel per annum.

Mining Stock Quotations

Week Ending July 10

	High	Low	Close	Sales
Apex	2½	—	—	500
Argonaut . . .	95	91	94	7100
Atlas	6¼	5	5	16500
Baldwin . . .	10¼	8⅞	10	34500
Beatty . . .	16¼	15	15	19500
Bidgood . . .	11¼		8¾	49800
Buckingham .	9	—	—	5000
Castle Trethewey .	24	23	24	13000
Beaver . . .	32¾	30	32¼	18500
Chaput Hughes . . .	6½	—	—	12000
Conigas . . .	2.60	2.25	2.55	80
Crown Reserve . .	59	56	56	14600
Cons. Smelters	26	25	25¾	1352
Cons. West Dome . . .	28	25½	28	41000
Clifton	18	16½	17¾	43500
Col. Kirkland	10½	—	—	1000
Davidson Ex. Rights .	6	5½	5½	3200
Dome Mines .	36.25	32.15	35.50	2505
Dome Kirkland . .	2	—	—	2000
Goldale . . .	60	58	58	18200
Hattie . . .	30	27½	28¼	74300
Hillcrest, pf. .	91	—	—	5
Hollinger . .	12.50	11.70	12.45	15718
Hunton . . .	11	8	10½	21500
Keora	12	10	11	28500
Keeley	1.69	1.60	1.68	4000
Kirkland Lake	36	30	32	20050
Lake Shore . .	3.43	3.25	3.40	4900
Lorrain . . .	18	16½	17½	22000
Montreal-Ont.	54	53	53	4000
McKinley . .	16½	15	15½	62000
McIntyre . .	17.80	17.00	17.65	3400
Mining Corp. .	2.25	—	—	200
Moneta . . .	20	15	18	42500
Newray . . .	42	39	41½	21000
Nipissing . .	5.25	5.00	5.00	4800
Ophir	1¾	1½	1½	2000
Peterson Lake	10½	9⅛	10½	12500
Porcupine Crown . . .	12	10½	11	4000
Preston E. Dome . .	.11	9⅞	10¾	42000
Schumacher .	14	—	—	300
Teck Hughes .	1.41	1.34	1.38	32800
Timiskaming .	41	36	40	7040
Thompson Krist . . .	4½	4¼	4¼	6000
Vickers . . .	35	34	34	13000
Vipond Cons.	61	54½	60	51033
Wasapika . .	6	5½	5¾	14500
West Tree . .	9¾	7½	9½	30600
Wettlaufer . .	7	—	—	4000
Wright-Hargreaves	3.20	3.05	3.20	1600
Boston Creek . . .	5	—	—	500

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This issue is
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A *Guaranteed* First Mortgage Bond Yielding 8%

There are $2,200 of tangible assets back of every $1,000 of bonded indebtedness. This does not include any allowance for the immensely valuable asbestos lands.

The entire output for 1923 and well into 1924 has been sold. Earnings from this production, estimated conservatively, will take care of the annual sinking fund and over five times the bond interest charges.

In addition, Mr. Jacobs, the President, personally and unconditionally guarantees the principal, the interest and the $25,000 annual sinking fund.

We recommend this offering as an exceptionally attractive investment.

NEW ISSUE

$250,000

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8% First Mortgage 10 Year Sinking Fund Gold Coupon Bonds

Dated March 1st, 1922 Due March 1st, 1932

Principal and semi-annual interest (March 1st and September 1st) payable at the Bank of Montreal in Montreal or New York, in Canadian or American Funds.

Bonds may be redeemed at the option of the company as a whole or in part, on three months, notice, at 110 and accrued interest.

Sinking Fund of $25,000 per annum, commencing September 1st, 1924.

For the purposes of the Sinking Fund the Trustee will redeem Bonds, either by purchase in the open market or by causing a drawing to be held and calling in the numbers so drawn, at 110 and accrued interest, for a total value of $25,000. annually.

CAPITALIZATION

8% First Mortgage Sinking Fund Gold Bonds	$250,000
50,000 8% Preferred Shares, par value $10	$500,000
100,000 Common Shares, par value $10	$1,000,000

DIRECTORS

J. A. JACOBS, of Montreal, President
N. E. NEWMAN, of New York, Vice-President, Manufacturer of Asbestos Products
P. GYSLER, Secretary-Treasurer
A. E. FRANCES, of McLean Kennedy Co., Shipping Agents, Montreal
LUC ROCHEFORT, General Manager, Credit-Canada, Limited.
J. PYE, Accountant

BANKERS: Bank of Montreal.

TRUSTEE: The Title Bond Guarantee & Trust Corporation of Montreal.

All legal details in connection with this issue have been approved of by Perron, Taschereau, Rinfret, Vallee & Genest, Counsel for the Company.

SALIENT FEATURES

PROPERTY: A complete mining and milling plant capable of handling 800 tons of asbestos bearing rock per 24 hours. The plant at the pit consists of aerial tramway 5,000 feet in length, storage bins of 2,000 tons capacity, dryers, (steam) shovel, and crushing plant all electrically operated by Power from Shawinigan. The Mill is located at the railway and includes all of the necessary machinery. Store Shed capable of holding 4,000 tons of asbestos (ready for shipment) machine shop, dwelling and office all on the property, and the building have recently been completed and are the most modern and up to date for the economical handling of the asbestos.

TONNAGE: The Company owns 400 acres of Asbestos bearing land on which development work to date has proven up over 7,000,000 tons of asbestos. This tonnage is sufficient for many, many years. Other sections of the property are known to contain large bodies of asbestos ore which will increase the tonnage considerably. Net profits, based on prevailing standard market prices, are estimated conservatively at $1.00 per ton.

MANAGEMENT: The officers and Directors are all experienced business men. The president, Mr. J. A. Jacobs, a large real estate owner in Montreal, has devoted twenty years to mining. He has a record of owning the most successful mine in Cobalt, the Kerr Lake Mine, which has paid $9,000,000 in dividends and is still continuing paying dividends.

In the Asbestos District Mr. Jacobs has developed successfully Jacobs Asbestos Mining Company of Thetford, in which he recently sold out his interests, so that he would be able to devote his time to the development of this property as well as the Black Lake Asbestos & Chrome Company.

EARNINGS:: The entire output for the balance of this year 1923 and well into next year has been sold, showing earnings sufficient to pay the annual sinking fund of $25,000 and over five times the bond interest charges.

VALUATION: Canadian Appraisal Company, under date of 29th of March, 1923, appraised the surface improvements $552,374.02. This valuation does not include the valuable mineral lands.

GUARANTEE:: Mr. J. A. Jacobs, the president, personally and unconditionally guarantees the principal and interest as well as the sinking fund for this issue.

PURPOSE OF ISSUE: The proceeds of this issue will be used to provide additional working capital, leaving the Company free of all liabilities and with a substantial amount of cash in the Treasury.

Price: par $100 and accrued interest to yield 8%

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FRANCE BUYS OUR WHEAT

It is reported that the French government has instructed its Chicago agencies to buy a three-months' supply of wheat, all hopes of a bumper crop having been dissipated. It is understood that the largest orders for the wheat will be placed in Canada on account of the exchange.

NEWS AND VIEWS FOR MANAGERS

BANKS DEAL IN CREDIT; THEY DO NOT CREATE IT

Experiences of Labor Banks in States Should Clear Air

By A. B. BARKER,
Manager, Toronto Clearing House.

It is difficult to understand just what is meant by the term "public credit" as used by the critics of the present financial system of Canada. At a number of meetings of semi-public bodies resolutions have been passed to the effect that public credit should no longer be in the hands of the banks, but administered by the Government for the benefit of the public. These resolutions are curiously alike in terms, and it would be interesting to know who frames them and sees that they are furnished at the proper time to whichever organization is holding its meeting. Several years ago similar resolutions were passed from time to time by organizations in the United States, and one was passed by one of the big labor bodies in that country. Possibly the Canadian resolutions come form the organization which formerly furnished them to the American meetings. In the United States they are now "passé," as several of the labor unions there have gone into the field with their own banks, organized under the banking laws of that country. When these banks have been in operation a few years, long enough to have passed through a serious depression, the lessons learned will have a wonderfully quieting effect on union opinion about banks and banking and the functions of a bank in relation to credit. In time these opinions will bear fruit here, as labor opinion in Canada is very largely a reflex of that in the United States.

One lesson which will soon be learned, is that so far as the banks are concerned, they do not administer public credit. In fact, in the sense in which this term is apparently used, there is "no sich animile."

Credit a Personal Matter

Credit is a personal matter. It belongs to the individuals and is controlled by them. Largely through the banks it is true, but not in the sense that the bank is a dictator in the matter. The banks do not manufacture credit in the sense of creating it. The banks only manufacture it in the sense of making a finished article out of a raw material. In reality the banks are simply traders in credit, just as a grocer trades in butter and flour. The grocer buys from those who have these articles to sell in quantity, and sells them to others who want to buy them in more convenient quantities, and at more convenient times. The bank buys credit when it takes in deposits, and sells it when it makes a loan, and is under the same necessity as the grocer of paying for its supplies at the time agreed on.

There is this difference, however, that the grocer buys from the few and sells to the many, while the bank buys from the many and sells to the few. This has considerable effect on the terms of settlement, while the grocer may without loss of credit ask one of his creditors to extend a bill, the bank may not; it must pay on demand or close its doors. There is no halfway.

Bankers Are Merchants

In order to keep in business both bank and grocer must make profits, must sell their wares for more than they pay for them, and must collect their accounts promptly. With the bank as with the grocer the basis of any sale of its wares is whether the buyer will be able to pay as agreed. It is not a question of whether he is willing or not, that may be taken for granted, but whether he will be able. If the grocer has any doubts as to whether John Smith will be able to pay his account he simply refuses to sell to him. If he knows Smith cannot pay and supplies the goods, that is not business but charity, and the grocer has a perfect right to supply the goods if he wants to, provided, of course, that he himself is able to pay his own debts. He has no right to give goods which he cannot pay for, to anyone who cannot pay for them. This is understood perfectly in ordinary commercial business, yet many refuse to see it in the case of the bank, and the conditions are identical.

Another point where the bank is criticized and the grocer excused, is in regard to renewals. If a grocer's customer does not pay, the grocer may sue and collect the account. This is the ordinary course and excites no comment, except possibly adverse to the customer for expecting the grocer to wait for his money. Everyone knows the grocer must pay for the goods he sells, and knows also that unless his customers pay him promptly this cannot be done.

With the bank, however, many cannot see why a note cannot be renewed and renewed so long as the interest is paid. They forget that the bank's resources are, like the grocer's, limited by the amount it can buy, that is its deposits, and that if the loans it makes are not paid as agreed, it cannot make other loans.

Turnover of Credit

This is why a bank's loans are for the purpose of supplementing working capital, and not to go into investments likely to be a long time in realization. The operation of buying and selling credit for a bank is one of the reciprocating contracts. It buys credit, i.e., deposits, and agrees to account for them on demand. It sells them in the shape of loans and discounts of varying maturities. It cannot use all of its stock of credit in this way as a certain percentage must be held in actual cash, not its own notes, to honor the day-to-day withdrawals by its depositors. It sells as much as it safely can, for unless its funds are kept fully employed it will not make sufficient profit to keep in business. In order to attract depositors it must have earning power.

Now all business is seasonal in its demands for bank accommodation, and as we have seen the banks resources are limited, it follows that unless each class of businessmen repay their advances at the end of their season, the next in turn must go short. Yet these have as much right to expect accommodation as the others, and the bank is organized to serve the whole community, not a part only.

In his evidence before the Banking Commitee, Tom Moore condemned the banks for refusing to grant credit to a Northern Ontario town, under certain distressing circumstances. The gentleman referred to, however, must know that loans to municipalities are governed by provincial statute, and are strictly limited. Advances made in excess of the authorized limits are illegal, and could not be collected, and under such circumstances a bank loan to the municipality would be impossible. The legislature is the proper quater to which application should be made. The case referred to would appear to be one calling for a public subscription to supplement the grant of the legislature, and it has never been said that banks have been remiss in responding to the call of duty in such cases.

A Campaign for Better Signatures

A stranger entered a small branch bank in the Maritime provinces recently and presented a cheque for five dollars at the teller's window. The teller looked at the cheque and at the endorsement signature, and inquired, "What is your name, sir?"

The stranger irritably replied: "Don't you see my signature on that cheque, on the back?"

"I saw that endorsement," retorted the teller, unruffled, "and I was wondering what your name was."

Despite the fact that this man had plenty of time to endorse that cheque, he scribbled it off as though he were in much haste. The result is the signature resembled something a recently-settled Chinaman would produce after labored effort.

The manager of this bank had inaugurated a campaign for legible signatures. To set the good example, instructions were given all employees of the bank to write legibly at all times. It was felt that customers of the bank, on noting the good writing emanating from the bank, would feel a sub-conscious urge to improve their penmanship, inasmuch as the writing would be legible, and not fancy.

The manager secured from a local amateur artist a cartoon depicting a teller in the act of dissecting an illegible signature on a cheque. The teller was tearing his hair and was shedding perspiration, as he tried to decipher the hieroglyphics. Under the cartoon was printed, "Pity the Poor Bank Man." The cartoon was placed over one of the desks in the rotunda. Singular to relate that desk was utilized by most of those who wrote the illegible signatures while in the bank. Much improvement was noticed after the inauguration of the manager's campaign for legible signatures.

Rockefeller Didn't Take Up Forgan's $3,000,000 Bet

Here's a John D. Rockefeller golf story. I got it from a friend of David R. Forgan, the well-known Chicago banker, who was born and brought up in Scotland (and Canada). Mr. Forgan was playing in a threesome on an Augusta, Ga., course some winters ago when Mr. Rockefeller "cut in" at the seventeenth hole, to complete his regular nine holes' allowance, just as Mr. Forgan and his friends reached the tee. Although none of them knew him personally, they at once recognized him and told him "Go ahead, Mr. Rockefeller."

"No," replied the aged oil king, "I'm in no hurry, and I have no right." And he sat down on the bench.

Mr. Forgan drove his ball and then also sat down.

"Young man," said Mr. Rockefeller, "I have always prided myself that I can tell from a man's playing, when he took up golf. Judging by your drive, I would say you took up the game when you were very young."

"Yes," replied Mr. Forgan, "to be exact I took up golf when I was five." He paused. Then he added, "And all my life I have had one ambition."

"What is it?" asked Mr. Rockefeller.

"To play you three holes for a million dollars a hole."

Mr. Rockefeller chuckled.

"I'm sure," added Mr. Forgan, "my friends would be willing to join me in putting up three millions for such a bet."

But Mr. Rockefeller declined.—B. C. Forbes in Forbes Magazine.

Rural Credits Are Heavily in Arrears

WINNIPEG.—A commission of three experts to administer the Manitoba Rural Credits Act will be appointed by the Manitoba government, it was announced at the close of a two-day conference between F. M. Black, provincial treasurer, and H. P. Nicholson, Dauphin, vice-president of the council of federated rural credits societies. At present $3,000,000 advanced to farmers by rural credit societies is outstanding and most of it is in arrears.

AN UNRESTRICTED REDISCOUNT BANK AID TO INFLATION

Sir Edmund Walker Would Continue Present Finance Act

From Our Own Correspondent

MONTREAL.—Among recent contributions to the discussion on the establishment of a Bank of Rediscount in Canada is the statement of Sir Edmund Walker that "this is a difficult and dangerous system unless guarded by restraints not present in recent examples of such banking." Sir Edmund feels that the system of governmental advances to banks on approved securities should remain in force for the present.

The statements are part of a contribution to the Annals of the American Academy of Political and Social Science in which Sir Edmund traces the development of Canadian banking as it is to-day.

"Little, if anything, in the financial history of Canada is more creditable than the Finance Act of 1914," says the president of the Canadian Bank of Commerce in his discussion. This act, it will be recalled, among other provisions permitted the finance minister to make advances to the banks in the form of Dominion notes against securities satisfactory to the Treasury Board.

Was No Inflation

Commenting on the increased circulation that followed this and other provisions, Sir Edmund states:

"The Dominion notes issued during the war were thus quite different from the fiat money of many countries. They were based upon securities pledged by the borrower, they were used practically only by the banks and became the basis for the enlarged issues of bank notes under the regulations of the Central Gold Reserve. Now that the war is over it can be seen that there was no inflation of the currency as such but merely the larger use of currency which accompanies an increase in the volume of commodities and prices; and now that expansion of trade has disappeared a contraction of our currency has followed without any disturbance whatever."

Cannot Draw on London

And discussing the proposal for a bank of re-discount to give a permanent mobility to banking in Canada, he says:

"We must hope that a return to the gold basis will not be much longer delayed but unless something equally valuable takes its place the power to make advances to banks should remain in force for the present. We have always to meet the financial effect of the long winter over which we have to carry our cereal products, and the rapid rush forward to avoid this and there are other movements of commodities with somewhat similar difficulties. When the pound sterling was on a gold basis the banks could draw on London against their credit or securities and thus find the means to pay foreign debts as against the later arrival in Europe of these products, but just now they cannot do this without the risk in exchange rates which they could not afford to take.

"Many, of course, desire to see a bank of re-discount established, but this is a much more difficult and dangerous system unless guarded by restraints not present in recent examples of such banking. Without severe restrictions and a loss of profit to all who require such aid a system of re-discounts may become the most active instrument of inflation."

Most bank men will remember the Finance Act. Prior to 1914 the Canadian banking system lacked flexibility although it had greater flexibility, than the banking system of the United States at that time. When the war broke out there was a near panic in Canada. And so even before war was declared—on August 3, 1914—Sir Thomas White, Minister of Finance, met the bankers and drew up the Finance Act. The suspension of gold payments and other features are remembered. The provision to create at the Department of Finance a rediscount department or loaning department was certainly not the least of the provisions. The government said to the banks, as Sir Thomas White has put it:

"The Dominion Government will loan you in Dominion notes, which are legal tender, twenty-five, fifty million dollars; we put no limit if you need it. You probably will not but if you do we will loan you without limit on securities approved by the minister. You bring in high-class securities or commodity bills, because they represent full value in goods, and we will lend you at five per cent. Dominion notes that will make you liquid and you need not worry about your reserves."

Stopped Any Further Panic

There was no more panic after the announcement was made.

Of the results of the system, Sir Thomas has said:

"From that day to this there has been the utmost confidence in the Canadian banking situation; no sign of panic. They gave flexibility to our banking system, made our bankers confident that they could meet any provision that could arise and of course gave the public very much more extensive credits than they otherwise would have got because the bankers knew that if a period of stringency should come they could go to the Finance Department and get Dominion notes upon the deposit or pledge of securities."

Union

H. H. Rowley, whose death occurred recently at Victoria, was for eight years manager of the Union Bank in that city. In 1899 he was appointed accountant of the Bank of B.N.A. in Victoria, remaining there for five years until in 1904 he was made manager of the branch at British Columbia for the East, where he transferred to the Union Bank of Canada, serving at various branches and returning in 1914 to Vancouver.

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(Continued from Page 1)

altogether and look in other directions. If labor thinks it worth while to have abundance and variety of employment, then its action in the Sydney district just now is the action of a class bereft of reason entirely.

Continuing, the Maritime Merchant strongly condemns the tactics of the labor leaders as damaging the case for the workers themselves as well as menacing the public interest:

We are afraid, however, that labor in the Sydney district is bereft of more than reason. There is no justification in the world for sabotage. It is immoral to say the least and its practice does its perpetrators harm instead of good. We do not pretend to be a judge in the merits of the case between the company and the men, and it is possible that the men have a good case. Let it be granted that they have. Even then sabotage is immoral and futile. Men who practise it have failed to acquire even the very first rudiments of common sense; they have forgotten that old fable of the reading book at school which tells of the man who killed the goose that laid the golden eggs. That is what sabotage does. If the sabotage is not complete, it at least cripples the power of the industry to give the men as much for their labor as they might get; for it is an economic principle that wages are paid out of capital, and in proportion as capital is destroyed, the wage-paying power is dissipated. If there is one thing that labor is particularly interested in it is in preserving capital. The state of Russia proves this and labor unions in these latter days are commencing to appreciate the fact.

PORTO RICO RAILWAYS

The Porto Rico Railways Company reports gross earnings for the month of May amounting to $111,358 compared with $112,011 for the same month in 1922, an increase of $652 or .58 per cent. Net for the month at $31,637 compared with $39,864, a decrease of $8,227 or 20.64 per cent. For the five months ending with May the gross at $552,342, showed an increase of $7,218, while net at $186,913 showed a decline of $37,672 or 16.77 per cent.

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JULY 13, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

ST. LAWRENCE POWER AS SOURCE OF REVENUE

DEVELOPMENT of the St. Lawrence power has been a live question for some time, and consideration of it as a source of income to the Dominion is opportune. If development should be proceeded with, an export tax per h. p. could well be imposed on all power transmitted to the United States until Canadian factories should be developed to use it at home.

Such an export tax would be in no way unfair to the United States, as already provincial revenue benefits by an export tax on power sent to another province. Quebec has imposed a tax of 50 cents per h. p. over and above the usual annual royalties on power from the Quinze development transmitted to another province, Ontario, for use in the northern mines.

YOUTH AND CHRISTIANITY

THE Archbishop of York presided at a meeting in Westminster where Dr. John R. Mott of the World Student Christian Federation was the chief speaker. His Grace stated that Dr. Mott "represented the international spirit which was the only hope for the future." Dr. Mott said, in part, "The present is the most alert generation intellectually, and therefore, the most enquiring one, the world has ever seen. There is a seething ferment in the minds of the marvelous generation of to-day. The unanimous inquiry for a new order from the whole youth of the world has afforded Christianity an opportunity to bring about 'a new day'."

When to communist propaganda there is added the religious arrogance which such statements as the above develop, fanatical opposition to any system we have is the logical result.

WHEN PROMOTERS PLAY TAG

IN A recent Ontario court action it was stated that a mining company capitalized at $5,000,000 had been organized to operate on a property costing $15,000 and that the promoter would get half the stock. The judge, Mr. Justice Smith expressed a little surprise at this fact. Fortunately, cases where mining promoters try to take such a heavy share of a company's stock for such a small investment are rare. There have been cases in the past and this fact has been more or less responsible for making prospectors themselves demand heavy prices for their properties. They are more or less justified in their position in claiming that if anybody is going to get anything big out of the organization of a company to mine their property, they ought to, inasmuch as they have done all the hard work and taken the preliminary risk. This is another case where speculators should look before they leap. If shares in such concerns were practically unsaleable, there would be few of them cropping up, declared one broker.

CAPITAL CANNOT "AMERICANIZE" CANADA

BEFORE the war there was a series of discussions in Canadian and British newspapers about the Americanization of Canada through investment of millions of American dollars in Canadian timber lands, industrials, land deals and municipal bonds. But in 1910 United States investors had only about $450,000,000 invested in all Canadian holdings and this had grown to about $1,000,000,000 at the outbreak of the war. What would the commentators of that period say to-day, when it is estimated that the United States has about $2,500,000,000 invested in this country? In industry alone the United States has a larger investment than it had in all resources and productive elements before the war.

The Americanization of Canadian investments has proceeded so far that it can now be stated with confidence that the United States has a larger sum invested in Canada than have the people of Great Britain. This is a complete reversal of the pre-war situation.

Strong Imperialists may see in this situation a danger to the bonds of Empire, or to speak more modern language, the ties that bind the British Commonwealth of Free Nations. But is there any danger? In giving the people of the United States a first mortgage to the amount of two and a half billions upon the resources of the country, Canada made it possible for a greater national expansion to take place. Had American capital been discouraged, Canada would have been at a virtual standstill, for British capital has not been available for nearly ten years. Anything that makes Canada a stronger and wealthier nation is a good thing for Canada, and eventually for other British nations with which this country is associated.

Capital knows no nationality, it has often been stated. Capital goes where it is needed. It carries a certain propogandist influence, it is true, but where the capital investment is free from a monopolistic character, and untainted with governmental influences its propagandist power is limited. Manchuria with 25,000,000 Chinese is effectively controlled by 170,000 Japanese living in the country because of one gigantic corporation, the Southern Manchuria Railway, that owns most of the transportation, industrial, and utility enterprises in the country. But the Manchuria Railway is owned largely by the Japanese government which owns half the stock and which has sunk millions in the line for the specific purpose of using it for political ends. The American capital in Canada has been invested here by private individuals working through large investment corporations that had no governmental backing. And that makes a great deal of difference.

Perhaps it is fair to say that American capital in Canada has done less to "Americanize" this country than American magazines and American movies. that contribute little to Canadian development and almost nothing to Canadian revenues.

SMALLER FARMS AND MIXED FARMING

IN ADDRESSING a dry farming convention at Nelson a few years ago, Hon. W. R. Motherwell, that practical experienced farmer of the prairies, told his audience that the man who wanted to run a farm by long distance telephone, had better have a "darn long cheque book."

There are many people in Eastern Canada who own Western lands who will be quite willing to agree with Mr. Motherwell. And what goes for absentee farming, also goes for big-scale farming, for the same reason—the necessity of deputing control of operations. The failure of the Nobel farm, long held up as an example of big things in the West, has been a convincing example.

As the conviction grows that the solution of the agricultural problem of Western Canada is mixed farming, the theory of the big-scale farm and the idea of the long-distance farm are both going by the boards. Success is based on close attention to details and hard work. There are in Western Canada few farm managers who will give this necessary attention to other people's property for a salary or even a share, when cheap land is available from which they may reap the rewards for themselves. This is not hard to understand in the case of lands owned in Eastern Canada. And the case of the big-scale farm is much the same. The owner may give it his personal attention, but he must have lieutenants because it is necessary for successful operation to divide the property into units—and the lieutenants are not to be had. The theories which are successful in big scale manufacturing do not work out in big-scale farming, because the bigger the farm the bigger the area, and transportation of labor and machinery becomes a difficult problem; workers may use a great deal of time in getting to the outer sections of a big farm. The answer to this is units with mechanical and labor headquarters for a section of the total area, and this is where the necessity for capable and dependable lieutenants—so hard to secure—comes in.

As the success of the West then lies in mixed farming, with careful direction as to details, the smaller farms are becoming more numerous and the big-scale farm is disappearing with the long-distance farm. Successful farms of reasonable size mean that the country will support an increasing population in prosperity.

KEEPING BUSINESS MEN INFORMED

SPECIALIZED business and technical papers in Canada are doing a great work for Canadian industry by collecting the ideas and methods of outstanding men and passing them on to their respective trades or technical industries.

During recent weeks for instance, the various publications of The MacLean Publishing Company have had men in many parts of Canada attending conventions and gathering business information, as well as in a number of United States centres where conventions of international importance have been held. The fact that so much time and money is spent on gathering and publishing information of this kind illustrates the service the men in charge of these papers are putting into them.

At the present time H. T. Hunter, vice-president of the company, is studying conditions in Europe. During May the editor of Canadian Foundryman and three other members of the staff attended the American Foundrymen's Association Convention at Cleveland, Ohio. A member of the staff of Canadian Machinery attended the convention of the American Society of Mechanical Engineers, held recently in Montreal. The same publication had several representatives in attendance at the convention of the Canadian Association of Stationary Engineers in Toronto.

The editor of Printer and Publisher was present at the convention of the Weekly Newspapers Association in Halifax a couple of weeks ago, and in August will attend the Printing House Craftsmen's convention in Buffalo.

In June the annual convention of the Saskatchewan Retail Merchants' Association was held in Prince Albert. This was attended by the Winnipeg representative of The MacLean Publishing Company. Another representative attended the annual convention of the Ontario Branch, Retail Merchants' Association, at Brockville. Representatives of Hardware and Metal attended the convention of the Ontario Retail Hardware Dealers' Association, and the Ontario Society of Domestic, Sanitary and Heating Engineers.

The editor of Men's Wear Review was at the recent convention in Toronto of the Association of International Designers, and in Cleveland of the International Association of Display Men. The editor of Druggists' Weekly is attending this week the annual convention of the Ontario Retail Druggists' Association. A Canadian Grocer representative went to St. Andrews, N.B., a short time ago, to attend the annual gathering of the Canadian Wholesale Grocers' Association. THE FINANCIAL POST, itself, has had staff men in leading centres of the Maritime Provinces and Newfoundland within the past few weeks, as well as in Western Canada, and three of them have just left for a trip through the mining districts in Northern Ontario to study the mining situation more closely. One has just returned to our Montreal headquarters from a trip to Vancouver, Edmonton, Calgary and intervening points, where he saw all important bond dealers and mayors and municipal treasurers.

All this is in addition to special visits to different parts of Canada for information that will help the readers of the various publications in their own line of work.

It will thus be seen that the MacLean publications do not depend on theoretical charts and cycles prepared at his desk by an Editor who never goes out. These things are useful in conjunction with history and experience, but current facts are given first place.

EDITORIAL NOTES

THE TORONTO GLOBE says "the House of Commons is the best guardian of its own authority." But the Globe would also argue that the miners of Cape Breton are the best guardians of their own authority.

* * * *

IT IS WORTH while to note that even the Toronto Globe thinks that the Red leaders in the Cape Breton strike have gone too far. It is difficult to see just where the Globe draws the line.

* * * *

THE FARMERS' Co-operative Movement is suffering a gradual eclipse, and a number of its stores have gone out of business this past year, through many farmers withdrawing their support. Farmers' leaders themselves say that the farmers should never have gone into the retail business at all, but should have stuck to co-operative marketing of their own products.

The World's Financial Centre

THE POST has been saying for some years that the reason manufacturers had become so unpopular in Canada was that they were misrepresented by those who claimed to speak for them in the C. M. A. These men, recognizing the unpopularity of the C. M. A., suggested a scheme of clubbing the newspapers of Canada by a species of blackmail and an elaborate secret organization was formed for this purpose. It was exposed in the business papers and THE FINANCIAL POST, and instantly all the sane manufacturers repudiated it. Then came the scheme of secretly buying a number of papers. On one occasion a farm paper was bought and operated secretly by a group. One of the group, whose semi-official utterances have injured the cause of manufacturers in Canada, rushed back from Europe a couple of years ago, addressed manufacturers, clubs and others who would listen to him, on the decline of the British Empire. THE POST pointed out that his statements were unfounded and likely to cause much harm to Imperial relations, that they were part of German wireless propaganda; that already Great Britain had regained its financial leadership of the world and was steadily coming back in commercial leadership. Since then there have been continuous proofs of this. One of the latest is the figures which show that the United Kingdom is regaining its Indian trade supremacy in the field where we were continuously told that the United States and Japan would soon control the market. Cotton piece goods exports to India for the fiscal year, April 1, 1922, to March 31, 1923, show that the United States is practically disappearing as a competitor and that British exports are going ahead at a tremendous rate.

These exports, compared, are as follows:

Piece Goods (in Yds.)

Grey (unbleached)	1922-23	1921-22	1920-21
Total . . .	931,024,984	635,608,133	580,208,403
From			
Gt. Brit'n	833,320,603	525,493,158	420,287,608
China[1] .	2,775,909	805,168	813,197
Japan . .	90,038,967	83,490,368	150,428,376
U. S. A...	4,447,425	21,197,038	8,444,797
White (bleached)			
No imports from U. S. A.			
Colored, printed and dyed			
From			
Gt. Brit'n	211,936,345	121,559,458	448,598,019
Holland .	9,895,351	7,637,829	7,613,297
Switzer'd	1,570,003	584,765	1,861,223
Italy . .	1,897,191	2,312,797	9,757,436
Straits ...	1,874,968	489,198	499,107
Japan ..	15,366,024	4,924,076	16,074,955
U.S.A. ...	62,937	7,714	659,345

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[1] Hong Kong.

The advance in the Bank of England's discount rate from 3 per cent. to 4 per cent. last week revealed a remarkable fact, says the New York Herald. Even now that the advance has been made and that open market rates in London have followed it up, money is lending in London at substantially lower rates than in New York, and this in spite of the fact that the United States now holds half of all the monetary gold in the world.

If before 1914 anybody had asked an English financier what he regarded as the chief reason for the fact that London was the financial centre of the world, he would probably have replied that it was the certainty that a draft on London could always be converted into its equivalent in gold. In "The Meaning of Money," a standard work on the London money market, Hartley Withers wrote in 1909:

> "Practical finance of all nationalities will admit that a draft on another centre is only valuable from the international point of view from the readiness with which it can be turned, through the machinery of exchange into a draft on London, which is the real cash of international commerce and finance, because, money in the real sense of the word, gold or its equivalent, is only to be had, always and without question, and in any amount, in London."

But shortly after the beginning of the war, Great Britain ceased to be on a gold basis and has not yet returned to a gold basis. A draft on London cannot even now be turned into its face value in gold. There is a gold market in London, but the gold sells at a premium in terms of the currency. Yet London has retained its position as the world's financial centre. In spite of the prestige of the dollar, the sterling bill still is the currency of international commerce.

Doubtless this would not be so if the pound were as far from the gold basis as the French franc or the Italian lire, not to mention currencies still more depreciated. It is only because the discount on the pound is a relatively small one, because the resumption of the gold basis is believed to be only one or two years away, that the use of the English pound as the international currency is retained.

But the ability of London to hold its own suggests that there are other reasons for its supremacy which may for a period outweigh the strict maintenance of the gold standard. Not the least important of these is its geographical position. For, acting as the clearing house for the foreign trade of Europe, London has the advantage of three thousand miles over New York. Another factor is the inertia of habit and custom. Even if New York were to render slightly superior service to that of London, the channels of trade are so deeply worn, the world's business is so conservative, that it would be many years before New York could supplant London as the world's banker.

But the real secret of London's continued supremacy is the perfected machinery of its money market, its marvelous discount market, its expert appraisal and knowledge of world markets for goods of practically every kind, its complete and tested system of insurance, and, largely as a result of all this, its low interest rates—these are the things that have kept London's position relatively secure. These constitute a machine that cannot be built up over night. It is the result not only of the life-long training of the individual British banker but of the generations of training and tradition behind him.

Chinese Quantity Prices Are Increased

A rug buyer recently had some difficulty in explaining to his home office that, while he could purchase one rug in Peking for $100, as soon as he placed an order for 100 rugs the price advanced to $125.

It is the peculiar psychology of the Chinese trader that as soon as he discovers his prospective customer wishes to buy in quantity, he raises the price instead of offering a discount. Moreover, it is a common Chinese practice free from all implications of bad business or faulty ethics.

In both buying and selling abroad knowledge of local conditions and observance of prevailing business practice is indispensable. Recognition of this fact and adaptation of method to meet it is the only key to success in the foreign field.

Trade Schools in Frisco

Boston News Bureau.

In 15 years only 15 apprentices had entered the plumbing trade in San Francisco. The union relentlessly enforced the rule that only a son of a plumber could become a plumber. Sounds ridiculous? Well, it's a fact. It fits perfectly into the details which have been narrated at length in these pages in the last two years as to conditions in union-ruled and almost union-ruined San Francisco. In no city in the world were conditions worse. How the city smashed its shackles is almost a fairy tale. And now, in one year ending the first of June last, San Francisco has maintained a school for plumbers from which there have been graduated 210 apprentices. Sounds like another fairy tale. And from the free trade schools maintained by the Industrial Association for plasterers, plumbers, bricklayers, painters, iron and brass moulders, and tailors, there have been graduated in all in the same period, 750 boys and young men who have gone into these several trades and are making good.

Some of these schools operate at night, most of them by day. Intensive training is the rule. The Association means business and expects every trade school pupil to take his training seriously. The ages of most of the pupils range from 18 to 25. The conditions under which work in the several trades is done on the job are faithfully reproduced in the training quarters. Expert instruction is provided. Materials are furnished for all practical uses. A class may set 10,000 bricks in a day and the next class the next day finds the wall down and sets to work to build it again.

The most difficult problem yet undertaken by the Association is that of training iron moulders; the hot metal is tricky and there are many "variables" in preparing a mould for casting. But all these schools have worked well thus far. The apprentice graduates in plastering, for example, include to-day 10 men who are making $4 a day, and the rates of payment advance until the tabulation shows five at $12 and six at $10, with larger numbers at all the dollar intervals between.

The details in the report presented by the Association fill many pages, but the one fact of great significance is that San Francisco one year was without apprentices in the building trades, owing to the tyranny of the labor unions, and the next year finds the city training hundreds of apprentices under the fair and honest conditions of American democracy. Well done, 'Frisco!

The McCormick Reaper

The death, in Chicago, of Mrs. Nettie Fowler McCormick, widow of Cyrus Hall McCormick, inventor of the McCormick reaper and founder of the great business concern which is now the International Harvester Co., serves to recall one of the most romantic episodes in the social and economic history of the United States in particular and of the world in general.

It was in 1831 that McCormick, 22 years old, strongly dowered with strength and pluck from his West Virginian ancestry, took out the patent for his reaper and binder. It was 1845 before in any single year he was able to produce more than 500 of the complicated machines—and for that day the McCormick reaper was practically the final word in what some writers on machinery have called "steel brains." But it is part of a fine chapter of American history that by the outbreak of the Civil War, the harvester was being produced in such quantities and its use so widely distributed through the West and Northwest that it had revolutionized agriculture.

It has been said that the Civil War "was won by the McCormick reaper," and the statement is more nearly true than most popular generalizations on history. It is a fact that the new horse-drawn machinery multiplied the power of the workers in the field, and, more important by far, it transformed the aged, the women and the children, left behind by the marching armies, into producers more effective than strong men had been with the former tools. As one historian says, "so it was that the wartime crops, raised by the weakest fraction of the industrial population, were greater than any raised by adult skilled farmers in former years."

PERSONALS

CHARLES McCREA, of Sudbury, was generally accepted as minister of mines in the new Ferguson government in Ontario as soon as the results of the election became known. He is a man of wide practical experience and it is felt that he should be able to do big things in this department for the development of Northern Ontario at this very important period in the history of that country.

LT.-COL. WILLIAM PRICE, Ontario's new provincial treasurer, was a very active financial critic of the Drury Government and no doubt won his appointment largely through his combative attitude during the late administration's period of office. He is member for Parkdale and has a long record in law, as police magistrate and in many other capacities including the formation and leading of a battalion overseas during the war.

WILLIAM F. NICKLE, attorney general in the new Ontario Government, is a Kingston lawyer who had experience as a director of a number of business organizations in that city before he took up active parliamentary work. He was called to the bar in 1895 and became a K.C. in 1908. He was first elected to the legislature for Kingston in 1908 and to the House of Commons in 1911. He was the government commissioner appointed in 1909 to investigate the milk supply and he represented Ontario at the International milk conference. He was recognized as one of the leading financial critics on the opposition side during the Drury regime.

LINCOLN GOLDIE, of Guelph, the provincial secretary in the new Ontario Government, will bring to that legislative body the valuable experience of a long business career. Mr. Goldie, as a member of the Goldie Milling Company, was for many years a well known figure in the flour trade in Ontario and his appointment during the war to the Wheat Board was a marked recognition of his knowledge in government in one of the most important of the country's fundamental industries.

A. K. HARVIE, who has just been appointed to succeed W. H. Lugsdin, as manager of the Bank of Commerce in St. John, N.B., has been inspector of branches for the Bank of Commerce in the Maritime Provinces and Newfoundland for the past two years. He has been seventeen years in the service of the bank, and was stationed in the western provinces for many years. He was assistant inspector of branches for Manitoba, stationed at Winnipeg, and senior assistant inspector for Alberta. He is a C.E.F. veteran and won the Military Cross overseas.

JOHN S. MARTIN, minister of agriculture in the Ferguson cabinet in Ontario, is known as an outstanding success all over the continent as poultry breeder, his reputation having won for him the title of the "Wyandotte King." Mr. Martin is new to parliamentary life but has taken an active interest in municipal affairs. He has had a college education and those who know the difficulties of poultry breeding on a large scale believe that this success in this connection is not to be lightly regarded in considering his chance for success as a cabinet minister.

CURRENT OPINIONS

HAPPY ENGLAND

Liverpool (Eng.) Daily Courier

Canada, I hear, is envious of us in this country becouse we have only one income-tax to pay. Over there, in order to meet the increased costs of public administration, each administrative body is endeavoring to levy its own separate income-tax, writes a London correspondent.

There is the Federal income-tax; there is the provincial income-tax, and not so very long ago the municipality of Winnipeg sought powers to levy a municipal income-tax. They were not successful at the first attempt, but the commercial men of Winnipeg are very apprehensive as to what may happen at the second attempt.

MANUFACTURERS AND PROTECTION

Grain Growers Guide

There is no royal road to the correction of our present trade conditions. The situation is world-wide. Manufacturers, jobbers, retailers and farmers are all suffering, but the farmers are suffering more severely. Trade cannot revive completely until the European situation becomes more nearly normal. In the meantime, however, manufacturers must do, and undoubtedly are doing, what the farmers are doing, namely, cutting down their cost of production to the very minimum by every possible means. It is of no use to attempt to build up a great nation by saddling the economic burdens upon one section of the people. Manufacturers, wholesalers, retailers and farmers are all essential to the proper development of the country. The manufacturers already enjoy very decided benefits through the customs of tariff which are an economic handicap to the farmer. To suggest that those burdens should be increased to the further detriment of the farmer is a proposal that we do not believe will receive the serious sanction of the rank and file of the manufacturers of Canada. The wisest and surest way to re-establish prosperity in Canada is to put agriculture on its feet first. Give the farmers an opportunity to produce at a reasonable margin of profit and business everywhere will pick up. When the farmers' purchasing power is re-established every industry in Canada will flourish, but without the purchasing power of the farmer there can be no prosperity in the Dominion.

Starting with a borrowed capital of $10 in the Waskatenau district, Alberta, fifteen years ago, John E. Vance, now has a fine farm of 400 acres, well stocked with cattle. Last year, although drought prevailed, his wheat average was 24 bushels to the acre and in the year previous it was 47 bushels.

The Pulp and Paper Industry in Canada

Nowhere else in the world are there such ideal conditions on such a splendid scale for the foundation of a great and enduring industry.

In the matter of capital invested, the pulp and paper industry already towers over every other manufacturing industry in Canada. The capital invested in 1919 was over $347,000,000. This had increased to over $379,000,000 at the end of 1922. In the matter of value of annual production, there are only four industries with an annual output valued at over $200,000,000 according to the last comparative figures available. Among these is the pulp and paper industry.

With capital invested and annual production in mind, the pulp and paper industry may fairly be said to be Canada's most important manufacturing industry.

Circular on the pulp and paper industry, with chart showing how steadily Canadian production of newsprint is overtaking production in the United States, and with brief comments on some of the leading companies, on request.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

KOOTENAY EXPLORATION

Will you give us what information you can re Kootenay Exploration Co.?

Kootenay Exploration Co., Ltd., went out of existence about twelve years ago, we are advised by our London representative. The office was at 5 Great Winchester Street. We have not heard of any new proposition of the same or similar name.

MORTGAGE DISCOUNT

Halifax Reader.—I have a few shares in Mortgage Discount and Finance. What is the position of the company to-day? I have lost quite a bit a money on the R. T. Scott Co. and I am not anxious to lose any more.

Mortgage Discount and Finance is in a good position and steadily improving. Earnings this year are said to be well ahead of 1922 now that the officers and management are not encumbered by the ramifications of R. T. Scott, as they were last year. The desire seems to be to place the concern on a strong financial position before dividends are paid on the common stock. The company was handicapped at the start by its early associations, high selling costs and the fact that quite a lot of the stock had to be resold. You undoubtedly got or saw a copy of the annual statement, it was published in THE POST, which showed the position of the company to be growing steadily stronger.

GIFFORD MINE

Reader, Demaine.—Please advise if possible re Gifford shares. I hold a few hundred of these shares bought in 1915 and see that they are quoted at ⅞ and 1 cent a share. Is there any prospect of the price going up, or of the mine producing?

It's a wild gamble, but you'll never miss what you would get for them by selling now. The property has not been worked for three or four years.

ALGONQUIN GOLD MINES

Reader, Nova Scotia.—What is the prospect of Algonquin Gold, and is development work going on there?

The Algonquin Gold Mines have not, we are informed, made a serious effort at mining. We asked one mining authority for his opinion on the project and his reply was, that despite the fact that the only known and proven way of getting a mine is to find and develop it, there were those who had the notion that mines could be manufactured. In a word, he did not think that the Algonquin was putting forth a serious mining effort. The property is in West Shining Tree.

TECK HUGHES

Port Stanley Reader.—What is the position of Teck-Hughes?

Teck-Hughes is now producing gold at the rate of $100,000 monthly. The company has a bonded indebtedness of $324,000 but also, by this time, must have a treasury that would well take care of this debt. This will likely be paid off before dividends are paid. The development at the mine is going ahead well and since the acquisition of the Orr properties has been making rapid strides forward. High grade ore is being steadily opened up and an excellent milling tonnage made available.

TOOKE BROS.

Subscriber, North Sydney.—Would like your opinion regarding Tooke Bros.

You will receive the annual statement of Tooke Bros. in the next week or ten days. The previous report was very unsatisfactory because of the fall in values that necessitated the writing off of large amounts from inventory. This condition has not been present during the past year and the company has therefore a better report to show. However, conditions are not altogether normal, and while sales have been keeping up fairly well, the company has not yet attained their normal earnings position. We would advise you to withhold comment on this stock until you have had an opportunity to analyze the statement which will be presented.

BROMPTON

Reader, Port Stanley.—What are the chances for Brompton common going on a dividend basis?

Brompton has been paying off arrears on its preferred dividends and is likely to clean up the final arrears in the next month or so. This leaves the common in line for the next disbursement and with improved conditions it is quite possible that common dividends will be declared in the not too distant future. A policy of conservatism might dictate to the management to defer common dividends until larger working capital has been built up and this makes the resumption of common dividends somewhat uncertain. But assuredly the common dividends are much closer to-day than they were a year ago and yet the stock is only selling at about 5 points higher than the average of twelve months ago.

MERRILL CORPORATION

K., Toronto.—Can you tell me anything about the Merrill Corporation, which is selling bonds in the Earl Mansions, Limited? Why are these bonds being sold?

The Merrill Corporation was started in 1906 and has been doing business in both Canada and the United States. Its plan is to build self-contained apartment houses and raise the money by selling stock, largely to those renting the apartments. So far the company seems to have been successful.

Earl Mansions, Limited, is a company formed two years ago to build and operate an apartment house of that name in Toronto. The proceeds of the stock sale were not sufficient to meet the entire capital charges on account of the building and furnishings and this has been paid out of current earnings, leaving nothing for dividends. The present bond issue is to provide for this, making dividends possible. The present earnings seem satisfactory, but there is a question as to whether they can be maintained.

PORTO RICO RAILWAYS

Subscriber, North Sydney.—I would like to have your opinion regarding Porto Rico Railways. The market value of these stocks has lately shown a decided weakness. I would like very much to know what is the reason for this and what the possibilities are for increased earnings in the near future.

Porto Rico Railway Company has suffered during the past two or three years from a shortage of water that has diminished its power output and from severe competition from jitneys. Earnings have consequently been affected, for these influences affected both gross receipts and operating costs. The company has under way plans for the enlargement of its power supply and legislation will likely be obtained very shortly to eliminate the competition from the jitneys. These two factors may have a tendency to improve the company's earnings position. The enlargement of power output may require some new financing, it is suggested, but there is no confirmation of this.

CANADA STEAMSHIPS

Reader, Port Stanley.—Can you tell me how Canada Steamships is doing?

Advance bookings for Canada Steamship Lines are somewhat improved this year. The passenger business was late in getting under way but will likely be heavy. It is difficult at this time to forecast how the company will be affected by the new plan of regulation of grain rates on the Great Lakes, but it may be taken for granted that fair rates will be allowed by the government. The position of the company is still a little obscure but an effort is being made to thoroughly improve the physical equipment of the line and to rehabilitate it in the eyes of the investment public. The putting into service of the new steamer "Richelieu" was in line with this program. But it will require the expenditure of much more money to get the company back where it should be in the equipment to give the best service and this probably means that the company is not yet out of the woods. While the possibilities for the stock, both preferred and common, have been greatly enhanced, there is still considerable of a speculative element left.

B. C. FISHING

Would appreciate a report on the prospects of B. C. Fishing. I have heard of them being exceptionally bright.

The only news that we have heard about B. C. Fishing that might be regarded as bright was the statement recently carried by Financial Service, a Montreal News Bureau. This was to the effect that the prediction was being made that there may be a shortage of canned salmon before the new pack comes into the market in September. The total pack in the hands of the canners is given as about 200,000 cases and as the demand is running at about 80,000 cases a month for the foreign market with a good demand for the domestic, it is stated that there is every prospect of a real shortage. However, such a small stock would mean little, no matter how high the price went. It is said that the fact that no orders have been placed for the 1923 pack, despite prices of $15.50 as against $17.50 last year, is a disturbing factor. B. C. Fishing is now selling around $14 and $15 as against a 1923 high of 24. The decline in the market price of the security has been steady.

MARITIME LIFE

E. G., Toronto.—I have been asked to subscribe for stock in the Maritime Life Insurance Company of Halifax, but before I subscribe for this stock I would like to have a report on the merits of this company, together with the directors.

Life insurance companies generally have operated on a sound basis in Canada and their stocks exhibit a high degree of safety as to principal. Two factors of good investments—interest or dividend returns and saleability are not so evident. Some companies have paid extremely high dividends whereas the returns in other cases have been disappointing. Management is the big factor in determining these.

The Maritime Life Insurance Company is being organized by reputable men with considerable experience in the insurance field. The stock has good possibilities for a business man but, as dividends in a life insurance company cannot be expected until the company has established itself, although after that they may be highly satisfactory.

THREE SPECULATION ISSUES

Nova Scotian.—Kindly give me your opinion of the speculative possibilities of the following issues at present prices: Dome, Hollinger, Asbestos Corp. What is the dividend rate on mining stocks and on what dates are dividends paid?

All three stocks which you ask about have speculative possibilities. The chances of Dome and Hollinger rank ahead of those of the Asbestos Corporation, because of the limited activity in the latter stock. Dome Mines stock is now selling at $38.00 as compared with the high for 1923 of $44.50. Just recently the stock has been placed on the basis of $4.00 per share per year, that is, taking the stock on its present par value. The plan of the heads of the company is to ultimately issue a new stock, giving four shares for one of the present holdings. Earnings are being maintained at a high level. In 1922 Dome paid 25c. a share in January, April, July and October. This year 50c. was paid in January and April, and $1.00 will be paid in July.

Hollinger is now selling at $12.65 a share as compared with the 1923 high of $14.30. Hollinger's dividend runs one per cent. every four weeks, or thirteen per cent. per year on the par value of $5.00. Dividends so far in 1923 have been paid on January 29, February 28, March 26, April 23, May 21, June 18, and the next will be on July 16. Hollinger is going in to develop a power plant of its own, and this is, perhaps, the only reason why the dividend has not been increased. The company has a heavy cash treasury, and undoubtedly as soon as it can size up just what the cost of its power operation will be, the matter of an increased dividend will be taken under immediate consideration. There was some talk of an increased dividend at the last annual meeting, but this was opposed for the present by President Noah Timmins.

Asbestos Corporation common is now selling at $53.00 as compared with 1923 high of $72.50, recorded rate in March. This company has been paying six per cent. One and a half in January, April, July and October. For the past week or two there has been a steady decline in the stock, due to two or three rather unfortunate set-backs which the company has received, and which were reviewed in recent issues of THE FINANCIAL POST in the "News and Views" column.

Advantages of Listing Stocks

J. K., Toronto.—I notice in many advertisements for selling shares in stock companies some remark to the effect that these are soon to be listed, etc Apparently this acts like some hall mark of genuineness. In the face of this we see some of the very best stock in the country not listed. I would be very glad to have your opinion about the listing of stocks. In fact from considerable experience in meeting the public re selling stock, I am quite sure there is profound ignorance about even the elementary facts of the question, to say nothing of the basic facts. Perhaps you can point out to me some text book as an authority I might consult, or might I suggest that it would make the substance of a very instructive and entertaining article in your paper.

While the listing of shares on the stock exchange does not guarantee a market, it is undoubtedly a most important step in creating one. Having no maturity it is important to the investor that the best opportunity be given him to dispose of his stock as necessity arises. The fact that the shares are daily quoted on the stock exchange sheet and from there are brought to the investor's attention through the newspapers undoubtedly creates a demand from investors who otherwise would not know that it was possible to purchase. It also assures them that the price they pay is the real market price at the time. The stock exchange is a secondary market. It is not supposed to be used for the original distribution of shares, but was created to enable existing shareholders to sell or new investors to buy.

New issues that are offered with the promise of future application to list undoubtedly meet a better demand because educated investors realize that this listing in the course of time creates a market price for their holdings. One of the greatest problems of the investment house of to-day is to find a market for a great many securities which are perfectly good but which are unknown and which can only be sold at a tremendous sacrifice. True, there are numerous corporations whose shares are unlisted but which are reasonably active. The only excuse I can see for that is that the management are ignorant of the advantages which their shareholders would receive. Not only would transactions be assured at the real market price, but the commission charged would be regulated by the Exchange, thereby saving the shareholders collectively a great deal more than the initial cost of listing to the company.

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In Universal Demand

THE business of The Continental Paper Products, Limited, commends itself to investors. The Company manufactures, at Ottawa, a wide range of paper specialties — paper bags, drinking cups, commercial envelopes, etc.—for which there is a constantly increasing demand.

THE Company's bonds are secured by first mortgage on properties worth three times the amount of bonds outstanding; and in addition are unconditionally guaranteed as to principal, interest and sinking fund, by Continental Paper & Bag Mills, of New York, which is one of the largest manufacturers of paper specialties in America.

WE offer Continental Paper Products 6½% First Mortgage Bonds in $500 and $1,000 denominations, at 99½ and accrued interest, to yield 6.55%. From an investment so well secured, the yield is unusually high.

Write for descriptive circular

Royal Securities Corporation, Limited
164 St. James Street
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15 Years' Earnings

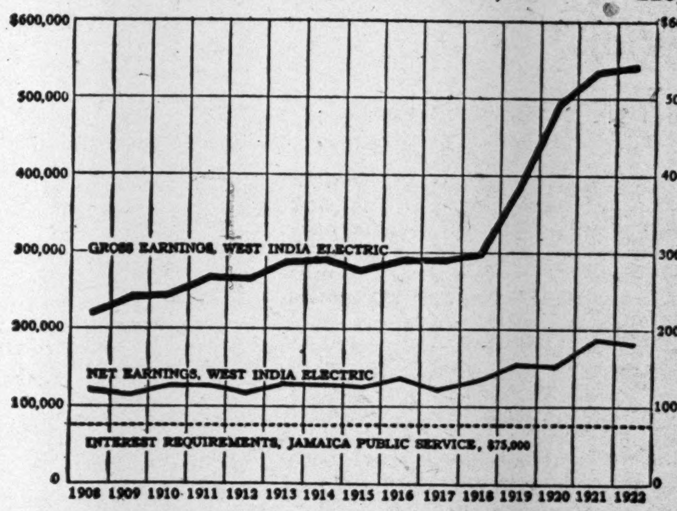
DEMONSTRATED earning power — its history and character — constitute the guarantee of security behind the

Jamaica Public Service First Mortgage 6½% Bonds

Due 1943

HISTORY:—The history given below shows an earning power well in excess of strict requirements for a first-grade Public Utility bond investment. To meet present bond interest requirements of $75,000 per annum, the earning record shows:—

	Gross Earnings	Maintenance charged to operating expenses	Net after operating expenses
1922	$541,032	$93,497	$181,431
1921	536,866	78,061	185,376
1920	490,180	67,794	151,288
1919	383,664	63,202	154,767
1918	294,724	37,731	131,603
1917	287,210	34,936	120,112
1916	286,321	34,060	134,370
1915	274,317	27,182	123,540
1914	288,924	30,262	125,369
1913	284,841	29,137	128,584
1912	261,080	23,104	116,956
1911	263,108	24,964	122,014
1910	240,066	22,115	122,637
1909	236,065	25,740	113,885
1908	217,410	22,655	118,326



CHARACTER:—The services of light, power and transportation to a community of 120,000 people insures stability and growth of earnings. Under the management of an international organization managing 60 other utilities of similar character, investors are assured a maximum of operating efficiency.

The other elements in this Public Utility investment are described in a circular that will be sent on request.

Price: 100 and accrued interest, to yield 6½%

Greenshields & Company
Montreal
Toronto Ottawa

Aemilius Jarvis & Co. Ltd.
Toronto
Montreal Ottawa

Province of Alberta

5% Gold Bonds

Dated July 2nd, 1923 Due July 1st, 1943

Principal and half-yearly interest payable in Toronto, Montreal, Edmonton, or London, Eng.

Denominations: $1,000 and $500.

Price: 97.50 and Interest, Yielding over 5.20%

Write for descriptive circular.

Wood, Gundy & Company

Toronto
Winnipeg
London, Ont.

36 King Street West
Toronto
Telephone: Main 4280

Montreal
New York
London, Eng.

OSLER & HAMMOND

Stock Brokers and Financial Agents
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Belgo Canadian Paper Company, Ltd.

7% Cumulative Preferred Stock
We offer the above stock, as, if and when issued.
Price: 96.50 per Share
To yield 7.25%

JOHNSTON AND WARD

14 King St. East
TORONTO

Babson says in his report dated July 3rd

"INVESTMENT. The next few months should offer a splendid opportunity to pick up good high yielding bonds. In the purchase of such bonds one should not try to wait for any 'psychological moment.' Bonds should be bought regularly and systematically irrespective of price conditions, and should be held for permanent investment. Sometimes one pays too much, and other times one pays too little, but if one buys a bond regularly and systematically, the price will average well over a series of years. The important thing is to get good safe bonds that yield well. There is an opportunity of securing such bonds NOW."

We offer for investment a list of High Grade Bonds that at present prices, yield from 5.15% to 7%, and we may reasonably assume that the principal value of these Bonds will appreciate as the market recovers from its Summer dullness.

Write for this list to-day.

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announces the dissolution of the firm of TRUAX & COMPANY—investment bankers, and the formation of a partnership with

J. G. CARSLEY

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CAN. PACIFIC CALLS ISSUE

The Canadian Pacific Railway Company, through the Bank of Montreal anl the latter's branches in New York and London, has called its entire issue of $52,000,000 six per cent. note certificates, dated March 2nd, 1914, and due March 2nd, 1924.

In New York banking circles it is said that the accumulation of funds for the purpose of making the heavy payments is an important factor in the money market, and this is the general explanation of the fact that call money, has moved up to six per cent.

BIG WELSH COAL CONTRACT

NEW YORK.—A prominent British coal dealer announces that he has just contracted to deliver one million tons of coal yearly in the United States and for five years. Other Welsh colliery owners have also made contracts for delivery here.

Sir David Llewllyn, the first person referred to, directs attention to the fact that transportation costs, mine to New York seaboard, is $4 a ton, while the ocean rate, Bristol and other English channel ports to New York, is $1.68.

NEWS AND VIEWS ABOUT BONDS

PRICES ARE FIRM IN QUIET MARKET; NO LARGE ISSUES

Rise in New York Exchange Prohibits Trading There

Little change has been recorded in the bond market during the past week. Prices have continued firm and bonds are not at all plentiful. However, it is the opinion of some well-informed financial men that the market is thin and a large issue would tend to weaken prices. This has deterred some municipal officials from recommending the sale of bonds in cases where new financing is contemplated. Trading is listless but private selling is continuing on a moderate basis.

The rise in New York exchange has made it difficult to bring in bonds from that market. Some dealing, however, with London is reported. A steady demand for Canadian bonds exists there but some dealers report a weakness in Canadian railway securities, due to the prevailing uncertainty over the Grand Trunk Pacific debenture holders. When a definite decision on this matter is arrived at, dealers hope for a disappearance of the present uncertainty.

No large issues were offered during the week.

The Town of Uxbridge sold an issue of $75,000 5½ per cent. thirty-year instalment bonds to the Sterling Bank at 100.55. The bids were:

Stewart, Scully & Co.	100.57
Sterling Bank	100.55
Wood, Gundy & Co.	100.56
Municipal Bankers Corp.	100.47
Gairdner, Clarke & Co.	100.372
C, H. Burgess & Co.	100.17
W. A. Mackenzie & Co.	100.123
W. C. Brent & Co.	100.11
Macneill, Graham & Co.	100.03
Matthews & Co.	99.65
Murray & Co.	98.63

Township of Etobicoke sold to McLeod, Young, Weir & Co. four issues of debentures totalling $70,539.37 at a price of 102.66. The bids included:

McLeod, Young, Weir & Co.	102.66
Matthews & Co.	102.528
Gairdner, Clarke & Co.	102.392
Bain, Snowball & Co.	102.39
Dyment, Anderson & Co.	102.30
Macneill, Graham & Co.	102.11
Wood, Gundy & Co.	102.05
Nesbitt, Thomson & Co.	101.90

The council of the town of Thessalon awarded two small issues of bonds to Matthews & Co., which submitted the high tender. The award in the first instance was made to the Municipal Bankers' Corporation on the stipulation that they would meet certain costs, but it now appears that the bid of Matthews & Co. would more than offset these extra charges. The issues were for $30,000 6 per cent. 30-year instalment, and $11,000 5½ per cent. 20-year debentures. Bids were as follows: :

	$30,000 6 p. c. 30-year debs.	$11,000 5½ p.c. 20-year debs.
Matthews & Co.	106.81	95.18
Wood, Gundy & Co.	106.632	
Macneil, Graham & Co.	106.03	
C. H. Burgess & Co.	106.01	93.78
Gairdner, Clarke & Co.	105.67	
McLeod, Young Weir & Co.	105.65	
Municipal Bankers	105.50	93.04
Nesbitt, Thomson & Co.	104.67	94.41
Bell, Gouinlock & Co.	102.	

City of Peterboro' bonds to the amount of $50,000, bearing interest at 5½ per cent. and maturing in 20 years, have been awarded to Wood, Gundy & Co. At the price of 103.28, the money is costing the city approximately 5.24 per cent. Bids were as follows:

Wood, Gundy & Co.	103.28
Macneill, Graham & Co.	103.12
Matthews & Co.	102.87
Gairdner, Clarge & Co.	102.87
Dyment, Anderson & Co.	102.87
Bain, Snowball & Co.	102.687
MacLeod, Young, Weir & Co.	102.58
Dominion Securities Corp.	102.53
Municipal Bankers Corp.	102.47
A. Jarvis & Co.	102.37
Harris, Forbes & Co.	102.34
Stewart, Scully & Co.	101.93
A. E. Ames & Co.	101.89

An issue of $16,000 5½ per cent. 20-instalment bonds of the township of Toronto has been purchased by Bain, Snowball & Co. at price of 101.697, a cost basis of 5.30 per cent. The tenders were:

Bain, Snowball & Co.	101.697
Municipal Bankers Corp.	101.35
C. H. Burgess & Co.	101.357
Macneill, Graham & Co.	101.11
Gairdner, Clarke & Co.	101.075
Matthews & Co.	100.97
Wood, Gundy & Co.	100.78
Dyment, Anderson & Co.	100.66

An issue of Penetanguishene bonds, totalling $16,000, was purchased by Matthews & Company at 100.82. The bonds are 16-year serials and bear interest at 5½ per cent. The tenders received were:

Matthews & Co.	100.82
Stewart, Scully & Co.	100.79
Gairdner, Clarke & Co.	100.37
Municipal Bankers Corp.	100.27
C. H. Burgess & Co.	100.24
Macneill, Graham & Co.	100.18
Wood, Gundy & Co.	100.16

Johnson & Ward have been awarded $7,600 Town of Kentville 5½ per cent. 15-year debentures. Bids for the issue were:

	20-year	15-year
Johnston & Ward	101.12	100.88
Eastern Securities Corp	101.15	100.67
W. F. Mahon & Co.	100.59	100.59
J. C. MacIntosh & Co.	100.57	99.53

An issue of Winnipeg General Hospital bonds, amounting to $150,000, bearing interest at 5½ per cent., and repayable in 30 instalments, and guaranteed by the Province of Manitoba, has been purchased by Bell, Gouinlock & Co., at a price of 101.70, a cost basis of 5.35 per cent. The bids were:

Bell, Gouinlock & Co.	101.70
Matthews & Co.	101.62
Gairdner, Clarke & Co.	101.55
Dominion Securities Corp.	101.46
Wood, Gundy & Co.	101.27

Bond Issue for Lake St. John Store Chain

From Our Own Correspondent

MONTREAL.—One of the earliest chain store groups in Canada was the Cote, Boivin and Company enterprise in Northern Quebec. This company operates five merchandising establishments at points in the Lake St. John region, which is now the centre of great pulp and paper and water power development. A bond issue to the amount of $350,000 has been arranged by the company and is now being offerred by Credit Canada, le Pret Municipal, and T. H. Onslow and Company. The bonds pay 7 per cent. interest, mature serially from 1925 to 1933 and are offered at par.

Assets behind the issue are stated to be $892,000 and under the trust deed the company is required to retain assets of at least $500,000 in merchandise, bills and accounts receivable of which $400,000 must be in merchandise at cost price.

Profits in 1922 were $85,073, before interest charges.

REVENUES OF CANADA LARGER; OUTGO LOW

This is Idea Behind the Establishment of Exchange to Trade in Wheat

From Our Own Correspondent

MONTREAL.—Canada's revenues for the first three months of the present fiscal year increased by $9,000,000 and expenditures declined $3,000,000. The month of June continued the previous two months' good showing in this regard.

Total revenue for June, 1923, was $30,146,746. For June, 1922, this total was $28,525,463. There was, therefore, an increase of $1,621,283 in revenue. Ordinary expenditure, on the other hand, fell from $20,773,102 in June, 1922, to $27,014,810 in the month just ended.

For the three months of the fiscal year, which ended on June 30, the revenue of the Dominion amounted to $119,506,118, as compared with $110,361,287 in the same three months period of 1922. Total ordinary expenditures for the three-month period in the present year were $72,788,678, as against $73,774,474 in 1922.

The net debt is still climbing. It was up by $2,602,062 during the month of June and stands at $2,409,001,572, an increase of $11,589,657 over the figures for a year ago.

Customs revenue, inland revenue and excise showed increases over the 1922 figures during June but there was a slight reduction in income tax revenue.

The notable change in revenues for the first quarter of the year is the increase of about $10,000,000 in inland revenue, indicating the more effective application of the sales tax.

Asbestos Mines Bonds Issued for $250,000

From Our Own Correspondent

MONTREAL.—The sum of $250,000 is being borrowed by a first mortgage bond issue by Asbestos Mines. Limited, one of the newer entrants into the asbestos manufacturing industry in Quebec. The bonds are being offered by Credit Canada to yield 8 per cent. and are personally guaranteed by the president of the company, J. A. Jacobs.

The company owns 400 acres of asbestos-bearing land and it is stated that development work has proven up 7,000,000 tons of asbestos.

The bonds bear 8 per cent. interest. and mature in ten years. Assets behind the issue are valuated at $552,000, which includes surface improvements and not mineral lands. The entire output, it is pointed out, for 1923 and well into 1924, has been sold, showing earnings sufficient to pay sinking fund of $25,000 and over five times interest charges.

Jamaica Power Bond Issue Largely Placed

From Our Own Correspondent

MONTREAL.—Most of the Jamaica Light and Power Company bonds offered about ten days ago have been taken up and the way is being cleared for an issue of preferred stock of the corporation. The total amount of the issue is $550,000 and it will likely be offered by the same group of financial houses that successfully floated the millions dollars of first mortgage bonds.

The syndicate is comprised of Greenshields and Co. and Mackenzie and Kingmand, of Montreal, and Aemilius Jarvis and Company, of Toronto.

COUNCIL REJECT HIGHEST TENDER; BUT CHANGE MIND

Matthews and Company Finally Awarded Thessalon Bonds

The action of the council of the town of Thessalon in awarding the recent bond issue to the Municipal Bankers' Corporation at a price of 105.50 when there were six higher bids, the largest being 106.81, has been a subject of some comment among bond men. The tender of the Municipal Bankers' Corporation contained a clause stating that the firm would bear all the expenses of issuing the bonds, such as the printing of the by-laws, securing the approval of the Railway Board, etc. In view of this fact, the lower tender was accepted. However, a special meeting of the council was held later to reconsider the decision, and at this meeting the bonds were awarded to Matthews & Company, the highest bidder.

It should be pointed out that any municipality reserves the right to award the bonds to any tenderer, the highest or otherwise. On the other hand, the public look for some reason for not accepting the highest bid. If the highest bidder, for instance, did not appear to have an organization or financial backing large enough to handle an issue of the size offered, a council would be justified in awarding the bonds to another.

A basic factor to consider is that the price a municipality receives for its bonds depends largely on the regard in which its economic and financial operations are held by the bond house. The bonds of certain municipalities are regarded as "sticky," that is, they do not sell as readily as the bonds of other municipalities of similar size. Such bonds never bring as high a price.

A strict observance of the terms of tenders attracts confidence on the part of bond firms. An example of this was seen some time ago when the city of Hull opened tenders on an issue of bonds. In one tender the required cheque had been inadvertently left out; in another, the tendering letter had not been signed. These were the two highest tenders, but the council awarded the bonds to the next highest tender.

A practice which has fortunately been indulged in by only very few municipalities, and which, if extended, would destroy confidence, is to call for tenders. Then when these have been received to reject them and communicate with another firm, divulging the price of the highest tender and selling the bonds privately at a slightly higher price. Little blame can be attached to a bond house for offering to purchase the bonds under these conditions, but much harm can be done to the municipality's credit. The details usually come out sooner or later and firms are deterred from bidding on future issues.

Goodwin's to Sell $1,250,000 of Bonds

From Our Own Correspondent

MONTREAL.—Goodwin's, Limited, plans to borrow $1,750,000 and shareholders have been asked to meet on July 17 to authorize an issue of first mortgage bonds to that amount.

The company has made extensive alterations to its store and these, with other considerations, have reduced working capital considerably.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	95	96
Algoma Steel 5's 1923	44	46
Amer. Sales Book 6's 1927	98	..
Ash. Hardware 5 p.c. 1928	93	..
Brompton P. & P. 8% 1941	109	..
Canada Salt 7's 1941	101	..
Wm. Davies 6's 1942	..	94
Dom. Iron Steel 5's 1930	78	81
Dunlop Tires 6's 1927	98½	..
Dom. Sewer Pipe 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93½	..
Gord. Iron & Fare 6's 1827	..	40
Harris Abattoir 6's 1928	99	..
K. & S. Tire 7's 1935	78	82
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% notes	..	94
Mattagami Pulp 6's 1937	67	..
Mattagami Pulp 7% Deb.	35	38
Morrow Screw 6's 1931	84	..
Neilson's, Wm. 6's 1933	97	..
N. S. Steel 6% Deb.	88	90½
Stan. Clay Pro. 6% 1942	..	90
Western Power 5's 1949	84	86
Whalen Pulp 7% Deb. 1932	63	65
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb	78	82
Spanish River 8's 1941	105	106

BOND MOVEMENTS OF THE WEEK

Week Ending July 10

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range 1923 High	Low	Latest Price Ask	Bid	Week High	End Low
Bell Telephone	5	1925	5.00	98	94	101.90	97¼	101	99	101	100
Canada Bread	6	1941	6.04	99	98½	100	96	99½	—	99½	—
Canada Cement	6	1929	5.65	100¼	94	102½	100	—	101	101⅞	—
Canadian Cottons	5	1940	6.07	88½	82	90	88	89	—	89	88⅝
Can. Converters	6	1926	6.15	95	95	99½	99½	—	99	99½	—
Cons. Rubber	6	1946	6.07	100¾	88	102¼	99	—	101¼	99	—
Cedar Rapids	5	1953	5.12	97½	93	98	94⅞	98	97¼	98	97
Dom. Canners	6	1940	6.35	97	93	99	95¾	96⅜	—	96⅜	—
Dominion Iron	5	1929	6.37	94	82½	93¾	92	93	91	92¾	—
Montreal Trams	5	1941	5.77	93½	87½	92½	89¼	91½	90⅞	91¼	91
National Breweries	6	1939	5.81	101½	97	102⅞	101¼	—	102	102	—
N. S. Steel	5	1959	5.82	90	78½	92	87¼	88½	—	87¾	—
Penmans	5	1926	6.25	94¾	90	97	93¾	—	96⅛	96	—
Quebec Rly.	5	1939	7.30	87¼	65½	82	69	78¾	78	78	—
Rio Janeiro	5	1935	6.65	87¾	76	87	84	87¾	—	86	—
Steel of Canada	6	1940	5.80	100¾	97	102¼	99	—	101	102	—
Wabasso	6	1947	6.40	94	89¼	96⅜	90¾	95⅛	94	95	—
Wayagamack	6	1951	7.25	88¾	71¾	86¾	80½	85½	—	85	—
War Loan	5	1925	4.70	96.30	96.10	100.90	99.10	100.90	100.80	100.80	100.50
Do.	5	1931	4.72	99.60	96.25	101.80	99.80	101.60	101.50	101.60	101.50
Do.	5	1937	4.73	101.50	99.50	103.30	102.00	102.70	102.60	102.75	102.45
Victory Loan	5½	1923	4.50	100.70	98.75	100.95	100.25	100.70	100.60	100.50	100.27
Do.	5½	1924	5.25	100.75	98.00	101.40	100.25	100.90	100.80	100.75	100.35
Do.	5½	1927	4.75	102.70	99.75	103.50	102.35	103.40	103.30	103.35	103.00
Do.	5½	1933	4.85	104.35	101.25	106.70	104.40	105.45	105.35	105.60	105.35
Do.	5½	1934	5.12	101.35	98.80	103.90	101.30	103.25	103.15	103.75	103.15
Do.	5½	1937	4.65	106.25	103.00	108.45	106.50	107.85	107.75	108.45	107.75
Do., Renewal	5½	1927	5.10	101.10	99.40	102.80	101.00	102.20	102.00	101.60	101.50
Do., Renewal	5½	1932	5.12	101.10	99.70	103.00	101.00	102.65	102.55	102.75	102.00

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BELGO CANADIAN PAPER CO., LIMITED

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Principal and Semi-Annual Interest Payable in Canada or New York.

Here is a Bond secured by total assets that are over 2½ times the outstanding issue. Past earnings 3½ times and present earnings 5½ times Bond interest requirements.

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7% CUMULATIVE PREFERRED SHARES

SECURITY—Ample protection of principal is assured because each $100 share of Preferred Capital is secured by net assets—physical and current—equivalent to $326.

EARNING POWER—The revenue producing qualities of this issue are proved by consistent achievement over the past four years. During this period, to Aug. 31st, 1922, dividends have been earned nearly four times. The present fiscal year's earnings to date have been equal to 33.7% on these shares or more than four and three-quarter times dividend requirements.

In April and May last at existing output of 90,000 tons annually, Preferred dividend for the two months was earned seven and a quarter times. With production increased to 115,000 tons, the future outlook is even brighter.

Price 96.50, to yield 7.25%

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FIELDING IN TORONTO

Hon. W. S. Fielding paid a visit to Toronto this week. It is understood that, while in the city, he discussed the bond situation with some local bond men. As no announcement has been made, it is believed that no satisfactory decision was arrived at, and no information intimating the flotation of a domestic loan shortly has been given out.

INDIAN CHUTES POWER

Porcupine-Davidson will get power some time this week from the Great Northern power plant at Indian Chutes, according to the Northern Miner. Two weeks later Night Hawk Peninsula will benefit and then Newray and Matachewan Canada. Plans for the installation of the second unit of 2,250 h.p. are being gone ahead with immediately.

CIVIC AND PROVINCIAL FINANCE

DOES POPULATION JUSTIFY PRESENT HEAVY TAXATION?

Says Provinces Encroach on Municipal Revenues But Avoid Burdens

Some important facts concerning the problem of taxation were given recently by C. J. Yorath, city commissioner of Edmonton, in an article prepared for the Canadian Tax Conference. He outlined the huge increases in the debt and expenditure of the Dominion between 1913 and 1922. In comparing this with the situation in the four Western provinces, he said:

"While there may be a partial explanation for the increase in the debt, revenue and expenditure of the Dominion due to the war, the same cannot be said for the expenditures of the four Western Provinces.

"A tabulated statement comparing the population, funded debt, revenue and expenditure of the four Western Provinces for the years 1912-13 and 1921-22 is attached hereto, a synopsis of which is as follows:

"The population of the four provinces has increased since 1913 from 2,150,000 (estimated) to 2,479,451, an increase of 329,451 or 15.32 per cent.

"The gross debt of the four provinces shows an enormous increase from $62,499,678 to $264,728,195, an increase of $202,228,517 or 323.57 per cent.

"The annual revenue of the four provinces has increased from $27,509,027 in 1913 to $49,321,782 in 1921-22, an increase of $21,812,755 or 79.29 per cent. and the expenditure has increased during this same period from $33,833,854 to $51,702,321, an increase of $17,868,467 or 52.81 per cent."

He compares the tax levies of 1922 with those of 1915 and asks if the wealth of the country has increased sufficiently to warrant the increases in taxation. He says:

"In the years 1913 and 1914 following the financial boom in Western Canada, it was realized that municipalities had increased their debts far beyond their ability and the normal expansion of the community, and in addition it was realized by students of assessment and taxation, that the system adopted during boom days would not produce the necessary revenue during a financial depression to pay the heavy fixed charges on the debts incurred, and at the same time provide funds to carry on the ordinary municipal services. If the business conditions of 1914 had continued for a period of years there is no question of doubt that the majority of municipalities in Western Canada would have gone into liquidation. The war and the conditions arising out of the war saved the situation. That statement may sound somewhat of a paradox when we realize now that the war and its attendant prosperity in this country is responsible for the very serious finanial situation in whcih we find ourselves to-day."

He broaches a question which is engaging the attention of many serious students of finance when he asks:

"Is too much attention being paid to Government and not enough to individual enterprise?" In the Prairie Provinces with a population of approximately two million we have three State Governments with all their attendant dignity and expense, three Lieutenant Governors, Premiers, Attorney Generals, Ministers of Public Health, Public Works, etc., over 160 legislators and a duplication of numerous executives. The function of each government appears to be to keep its legislation on a par with one another, so that the legislation of the three is practically the same."

The writer contends that the tendency is for the provincial governments to encroach on municipal revenues without assuming the cost of many services which are rightly provincial, such as education, mothers' pensions, care of tuberculosis patients, the old and infirm, etc. He points out that the sources of municipal revenue are largely confined to a tax on property, and quotes Professor Ely in asserting that land is bearing too heavy a burden.

In considering the remedies he says:

"The local municipalities feel that they would receive considerable relief, and no doubt they would, if the Provincial Government handed over to them part of the revenue which it receives from the following: The automobile tax, the amusement tax, the corporations tax, the gasoline tax; and that a larger contribution be made by the Provincial Government towards: The cost of education, the cost of hospitals, the cost of mothers' pensions, the care of unemployment and patients suffering from tuberculosis.

"But the above will not provide any relief to the taxpayer unless there is a radical readjustment of Dominion and Provincial expenditures so that the relief can be given without moving the tax burden from one taxing authority to another.

"A huge civic service has grown up under our multifarious forms of government in a country which requires for its expansion 'production.' In consequence production is being retarded by excessive government expenditures which have to be provided out of taxes levied on the producer.

"In other words, we are endeavoring to bolster up the prosperity of the country from the wrong end.

"The only permanent remedy for our financial difficulties will be found not by finding other sources of revenue but by—first, an entire reconstruction of all our government services and a radical reduction in expenditures; then, secondly, by a readjustment of our system of taxation, a redistribution of what are national, provincial and local services and expenditures, and then to decide what shall be the sources from which each governing body is to obtain its revenue."

In conclusion he states:

"By substantial economies in government expenditures, by a total revision in the requirements of education, by proper redistribution of provincial and local government expenditures with a readjustment of what should be provincial and local government sources of obtaining revenue it is possible that the serious situation which has arisen can be greatly improved, but if the present haphazard policy of incurring expenditures and levying taxes is allowed to drift then a far more serious accounting will have to be made in the very near future.

"While in the past each individual government has ignored the responsibilities incurred by the other, a situation has arisen which demands the cooperation of all, if the best interest of the Dominion, the province, and the local communities are to be safeguarded."

ONTARIO IS TO HAVE FINANCE CONTROLLER

Proposed Action Approved by Business Community; Ross and Matthews Favoured

The initial action of Hon. Howard Ferguson, the new premier of Ontario, in announcing that he will appoint a financial controller, has attracted favorable comment from all sections of the business community. Many students of finance have been convinced for some time that highly trained financial men should be in charge of the funds of provinces, when the yearly turnover amounts to many millions. Some cities, such as Toronto and Edmonton, have experienced beneficial results from similar action. Recent investigations by bond men have revealed large deficits in the provincial sinking funds, and they maintain that it is time some adjustments are made with a view to wiping these out in each province.

Comment on the announcement is agreed that the success of the move will depend largely on the man chosen, and all advocate the consideration only of outstanding men for the position. Speculation on the possible man to be chosen is prevalent. The suggestions that Sir Thomas White and Thos. Bradshaw will be appointed are not taken seriously by business and financial men, as the salary attached can scarcely be large enough to attract either. Those most commonly mentioned are R. C. Matthews and Geo. H. Ross. The former is highly regarded in financial circles and has had wide experience in financial and bond affairs. Moreover, although still interested in the firm of Matthews and Company, bond dealers, he is not active in the business and would be free to take up the work. Mr. Ross has had a successful financial experience and has done excellent work as finance commissioner of the city of Toronto. Whether he would be disposed to vacate his present position for the newly created one is, however, a matter of some speculation.

Best Year in the History of T. & N. O. Ry.

The report of the Temiskaming and Northern Ontario Railway, for the year ending October last, declares 1922 was the best financial year in the history of the railway. The total revenue tonnage carried was 1,185,453 net, of which approximately 50 per cent. was represented by forest products, as compared with 1,298,405 in 1921, a decrease equal to 8.7 per cent. Passenger service revenue also decreased approximately 10 per cent., but both these reductions in revenue earnings were more than offset by the reduction in operation expenses. The commission's gross revenue in 1922 was $353,572 less than preceding year's equal to 8 per cent., while gross operating expenditure decreased $736,375, equal to 18 per cent. The net results of operations in 1922 show an earning of $712,505, as compared with $181,778 in 1921, an increase of $530,726. The gross income was $4,361,651, and the total expenditure $3,649,146.

Impose Penalties for Non-Payment of Taxes

The council of York Township has fixed special penalties for the nonpayment of taxes. A penalty of one per cent. will be added to the first instalment, due October 1, if not paid by November 1. A further penalty of two per cent. will be levied if payment is not made by December 1, with an additional penalty of two per cent. if the taxes have not been paid by January 2. The same penalties will be charged on the second instalment of taxes, due December 1, the dates on which they became effective being January 2, February 1 and March 1. After May 1, 1924, all those taxes which are in arrears will be subject to the penalties provided by the statutes. A discount of two per cent. will be allowed on the second instalment if paid with the first instalment.

In the Government and Municipal Review Number of THE FINANCIAL POST, under the heading of British Columbia Districts, the population of the District of Coquitlam appeared as 245. This should have been 2,450.

COMMISSION TO HANDLE AFFAIRS MUNICIPALITIES

New Legislation Passed to Meet Financial Difficulties

From Our Own Correspondent

EDMONTON.—When financial difficulties come to Alberta municipalities in future they will be dealt with by the Public Utilities Commission, which, at the beginning of this month, assumed new duties and responsibilities under an act passed by the recent legislature. Two special commissions, which were appointed in 1919 for the particular purpose of investigating, adjusting, and administering municipal finances in cases that required such attention, and of considering petitions for the concellation of subdivisions, have been dissolved, and their functions now pass to the utilities board.

During the past four years the Municipal Finances Commission has dealt with the affairs of ten towns and villages in Alberta which had got into financial trouble. In several cases it was found possible to work out some plan by which the municipalities in question were enabled to carry their loads and to satisfy their bondholders, and in others recommendations were made as to the best way of conducting the town business until general conditions improved. The sum total of the Commission's operations has had the effect of greatly improving the standing of Alberta securities in the outside market, and there has been a marked change in the attitude of eastern financiers because of the good work thus carried on under government direction.

The Public Utilities Commission, which will now continue the investigation and adjustment work on practically the same lines as before, has greatly increased powers in respect to local government under the new legislation. General supervision of municipal finances throughout the province will fall to its lot, thus consolidating a number of separate services heretofore operated in other ways. A. A. Carpenter and E. J. Fream are the two commissioners, the latter being also in charge of the new Debt Adjustment Act, which does not come under the utilities board as such.

Brandram-Henderson to Make Plant Additions

Plans which are now under way call for extensive additions to the Montreal plant of Brandram-Henderson, Limited, manufacturers of white lead, paint and varnish, it having been decided to augment their present facilities by the installation of a plant to be entirely devoted to the manufacture of varnishes and enamels.

For years the company has carried on the manufacture of varnishes at Halifax, but the expansion of business makes it imperative that additional facilities be utilized in order to accommodate the demands of the trade, as well as to provide for manufacturing requirements.

In addition to manufacturing a complete range of architectural, marine, railway, coach and automobile varnishes it is proposed to produce the vehicles required in the making of all descriptions of art and industrial enamels.

Tenders and By-Laws

TENDERS WANTED

July 21, Prince Rupert.—$78,500, 6%, 15 and 27-year bonds, payable in Canada and New York. D. J. Matheson, Treasurer.

July 16, Grande Baie, Que.—$70,000, 6%, 30-ins. debentures. F. Bergeron, Sec.-Treasurer.

July 18, County of Inverness.—$50,000 5½%, 20-year debentures. J. Albert MacDonnell, Treasurer, Port Hood. (See announcement on page 16.)

July 23, St. Jerome.—$30,000, 6% 20-year debentures.

July 16, St. Antoine de Lagueuil. —$40,000, 6% bonds.

July 23, St. Honore, Que.—$30,000, 6% 20-in. debentures. J. E. Bouchard, Sec.-Treas.

July 16, Fort Erie.—$10,000, 5½% 20-in. debentures. A. E. Seaton, Clerk.

DEBENTURE NOTES

Montreal.—The city of Montreal will issue $10,000,000 bonds early in August. Of this $3,808,000 will be required for refunding purposes by September 1, and the balance for public works, including about $1,000,000 as part cost of the new City Hall. Present plans are to make the coupon rate 5 per cent. and the bonds a long-term maturity.

Three Rivers.—At the next meeting of the provincial cabinet an order-in-council will be placed authorizing the city of Three Rivers to issue bonds for a total amount of $115,000 to allow the payment of guarantees given to the Sun Trust by that city on the Three Rivers shipyard.

New Westminster.—Of the $500,000 five-year bond issue of the city of New Westminster due the 1st of July, only $425,700 were left to retire, the balance having been bought in by the city from time to time. No further financing was required to retire this issue, the Royal Trust Company having sold last year the long term bonds held by them as collateral.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
July 5	Thessalon	Matthews & Co., Toronto	6 %	30-yr.	$30,000	106.81	...
July 5	Thessalon	Matthews & Co., Toronto	5½%	20-yr.	11,000	95.18	...
July 5	Peterboro	Wood, Gundy & Co., Toronto	5½%	20-yr.	50,000	103.28	5.24
July 9	Etobicoke Twp.	McLeod, Young, Weir & Co., Toronto	5½ & 6%	10 to 30 ins.	70,539	102.66	...
July 6	Kentville	Johnston & Ward, Montreal	5½%	15 & 20-yr.	13,100	101.12	...
July 7	Toronto Twp.	Bain, Snowball & Co., Toronto	5½%	20-ins.	16,000	101.697	5.30
July 7	Ford City	Dyment, Anderson, Toronto	6 %	30-ins.	70,000	99.5	6.05
July 10	Winnipeg Hospital	Bell, Gouinlock, Toronto	5½%	30-ins.	150,000	101.70	5.35
July 10	Uxbridge	Sterling Bank, Toronto	5½%	20-yr.	75,000	100.55	...
July 10	Penetanguishine	Matthews & Co., Toronto	5½%	16-yr.	16,000	100.82	5.38

We recommend for Investment

Belgo Canadian Paper Company Limited

7% Preferred Stock at 96.50 to yield 7¼%

ASSETS: Over $300 of equity for each $100 share.

EARNINGS: Since 1919—4 times more than required for Preferred Stock Dividends.

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(ESTABLISHED 1901)

77

DOMINION STORES, LTD.

8% Cumulative Class "A" Preferred Shares.
Price: 100.00, Carrying a 25% Bonus of Common Stock.

This company is the largest retail distributor of groceries in Canada operating 240 stores. Plans call for over 25 additional new stores in 1923.

Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.

Dividends paid regularly on preferred shares, and common now paying $1.00 per year.

Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.

A special circular we have prepared will be mailed upon request.

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The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Established 1869
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Our "Square Deal" Contract will appeal to you with compelling force—**one contract only—no middlemen—** new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

The NORTHERN LIFE ASSURANCE CO.
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The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000.000.00
Policies Issued from $500 to $5,000
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Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis.
Over $140,000,000.00 Paid to Members and Beneficiaries.
Issued Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance Values.
Liberal contract for good organizer for City of Toronto.
JAS. S. GREEN, 249-250 Confederation Life Bldg.
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A BRITISH COMPANY
UNION INSURANCE SOCIETY OF CANTON
LIMITED
ESTABLISHED 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00.
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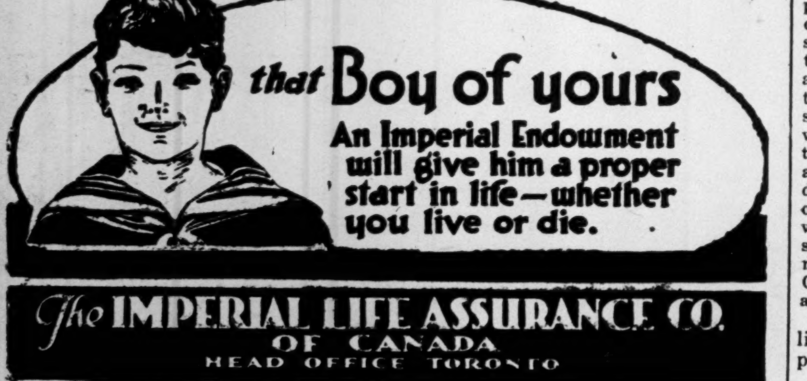
that Boy of yours
An Imperial Endowment will give him a proper start in life—whether you live or die.
The IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

CANADIAN AGENTS OF PHOENIX COMMENDED

Chairman Expresses Confidence in Fire Insurance Situation

At the annual meeting of the Phoenix Assurance Company, Limited, of London, England, the chairman, Sir Gerald H. Ryan, expressed regret at the heavy losses during the past year but asserted his confidence in the future. He said:

"The best spirit in which we can trace the future, with all its unknown possibilities and trials, is to remember that the actual amount of profit earned by a company like ours in any single year is a matter of no particular concern. A great ocean liner will pass through rough weather unflinchingly, with the only result that she may reach her harbor a few hours late and tax her passengers' patience a little. Even so an old and firmly established company like the Phoenix can discharge an occasional check and is none the less amply assured than the liner is of enjoying calm and prosperous passages in future."

The report of the Phoenix includes also those of the Norwich Union Fire and of the London Guarantee & Accident, all of which operate in Canada. In discussing their fire operations, the chairman again shows himself little concerned when he knows the right men are in charge. He says:

"The most noteworthy feature in the department is the loss ratio, which stands at 57.8 per cent. and is the highest we have recorded for many years. Exceptionally heavy losses arose in the United States and in Canada to which this abnormal loss ratio is attributable. In the United States the fire waste for the year 1922 was in excess of that of any year since the great San Francisco conflagration. In Canada, where the Phoenix has operated since 1804 with conspicuous success, there is no record of equally heavy losses . . .

"And it should be specially mentioned that both in the United States and Canada we are exceptionally well served by managers of great skill and experience. About this there is nothing more to be said or done. American business is peculiarly liable to these fluctuations. Caution and strong reserves will always enable a company to bear them without misgivings."

Pensions for Firemen and Police at Quebec

Some time ago a committee was appointed by the Finance Committee of the Quebec city council to consider the establishment of a pension fund for the fire and police departments.

The report submitted as regards the firemen provdies that a pension of $15 a week be granted men serving thirty-five years, but in any event subject to retirement at the age limit of 65 years, the firemen each to contribute 55 cents each week, and the city 60 cents for the building up of a pension fund. Should a fireman retire before he had served ten years in the department he will forfeit all claims to a pension or part of one, and if he serves over ten years he will be entitled to receive one-third of the amount he had paid in, without interest.

The report on pensions for the police is similar, and after some deliberation the Committee has recommended that the plan be adopted and the scheme administered by a board consisting of the mayor, the chairman of the finance committee and the aldermen.

INSURANCE FOR BUYER AND SELLER

LIFE INSURANCE HEALTH SERVICE REDUCES DEATHS

Asserts Welfare Policies Save Millions for One Company

Some idea of the part the life insurance companies are playing in the prevention of disease is contained in an address given by R. L. Cox, 2nd vice-president of the Metropolitan Life Insurance Company, before the Congress of the Associated Advertising Clubs of the World at Atlantic City. He outlined the great advances which have taken place in fighting so-called fatal diseases during the past 40 years. Speaking of his own company's outlook, he said:

"Now it happens that the business with which I am connected is accustomed to measure life in terms of its economic value. We see in a full grown man, possessed of average physical and mental equipment a being that is worth to the world more than his board and keep. By the same token we see in his untimely death an economic loss to the world. It is our business to insure the individual against this loss. This is accomplished by the simple process of pro-rating the loss scientifically among other insurers who are fortunate enough to keep on living. But as to the aggregate loss occasioned by high mortality rates, we can do little except to join with others in efforts that will make for a general improvement in mortality throughout the country. It is right here that we come directly to my subject of 'Health Promotion through Advertising.'

"The Metropolitan display advertisments on health, appearing in the magazines, have a theory behind them, surprising as that may seem to some of you, and that theory may be of interest to you as advertising men.

"We believe that a business institution that has been favored with public patronage to a point where its customers (in our case policyholders) number one-sixth of the entire population of the United States and Canada—men, women and children—should be willing to print welcome and useful information gleaned from a wealth of company experience, without exacting in exchange therefor any sort of trade or business dealings from readers of its advertisements."

The speaker strongly urged that greater attention should be paid to advertising the means of preventing disease, and told briefly of the work done along these lines by the Metropolitan Life, in these words:

"I cannot segregate the various kinds of advertising done by my company, and furnish a ledger balance for each of them, but I believe I can furnish an answer on all combined. Perhaps our educational publicity activities of last year, which I have called 'divided distributions' to the public generally, but which our competitors are sometimes pleased to call advertising, will illustrate what we think all large corporations should do more of.

"In 1922 we distributed 33,322,161 pieces of health literature, ranging from the booklet, 'A War on Consumption,' to the pamphlet entitled, 'The Child,' which discusses common ailments of children and the means of relieving and preventing them. The company conducted or instigated and helped to conduct 440 clean-up campaigns in cities; it displayed 265 health exhibits; participated in 107 community health campaigns, and thirty baby weeks. It showed smallpox films 454 times in thirty-two states, to defeat proposed anti-hygienic legislation; it financed two municipal experiments to demonstrate what government could do if it would, by one of which mortality from tuberculosis was reduced 60 per cent. and by the other infant mortality was decreased 50 per cent. And such work of various kinds, and in varying degree, we have been doing for many years. Besides this, display space was used in magazines of the United States and Canada, carrying health messages to approximately 50,000,000 readers."

He emphasized the value of the publicity work to the company, and in proof of this he said:

"Through its nursing service, periodic examination of policyholders, clean-up campaigns, co-operation with and help from the many established health agencies, distribution of health messages in many ways and as widely as possible, 52,000 fewer of our Industrial policyholders died last year than would have died under the death rate of 1911, the first year for which mortality statistics comparable with later years were compiled by the company. Measured in terms of lengthened life, this meant an average of eight and one-half years added to the life of our Industrial policyholders. Measured in dollars and cents, it meant the payment in 1922 of $11,828,000 less in death claims than would have been paid if the death rate of 1911 had prevailed in 1922."

The work of the Metropolitan Life has, of course, brought beneficial results in Canada as well as in the United States. Moreover, a great many companies in both countries are showing increased activity in health extension along similar lines. In Canada the Confederation Life has entered on the publication of a series of pamphlets dealing with the prevention of specific troubles. Some of these have already been printed and are being distributed to the public by mail and through the company's agents, and they may be obtained by anyone on request. Recently, too, some companies have made arrangements for a periodical examination of their policyholders by the Health Extension Institute. The company bears the cost of this and a confidential report is given the insured, suggesting means of combating any unfavorable symptons.

The Lake of the Woods Milling Company will spend about a quarter of a million dollars this season on the betterment of their plants in Western Canada. Other milling companies have also announced their intention of constructing additions to their plants in order to handle the increased business.

APPLICANT AT 74 TO GET LODGE ANNUITY

Benefits Under Dominion Government Plans Are Many

Annuities, such as are now granted by the Canadian government, have been greatly favored in Scotland and the British Isles. While they have not yet had any such popularity in Canada there are evidences that people are more and more turning to this form of securing the future.

What may be done under the annuity plan is illustrated by an actual occurrence in the office of annuity branch in Ottawa. Into this office came an elderly gentleman, 74 years of age, who related the following facts—that he was 74 years of age, and that he had no children, but wanted principally to provide for his wife and self, but would be glad also if he could make provision for a sister-in-law. All the people for whom he wanted to provide were past the 60 mark and could he, he asked, make a suitable provision for them for the $80,000 which he had available for this purpose.

The enquirer stated that his income from the $80,000 is now about $6,000 a year. By purchasing an annuity he hoped to have this income continued. In addition he desired another $1,800 a year for his wife, to run after his own death, if he predeceased her. He also wished to give his brother $1,500 a year and his deceased brother's wife $1,000 a year, payments to start at once. In this way, he estimated they would enjoy the benefits of his estate now when they are in more need of it than after his death. The total cost of providing the bequests as outlined was only $60,000, leaving a balance of $20,000 free money for any special purposes that should arise.

FIRE INSURANCE COMPANY UPHELD IN LEGAL ACTION

Judge Decides Misrepresentation in Application Voids Right to Collect

Mr. Justice Kelly has dismissed with costs the action brought by R. H. Neeland, of Fort William, authorized trustee for the creditors of Fox's, Limited, to recover $4,000, the amount of a policy issued by a local agent of the London Mutual Fire Insurance Company, to cover goods stocked at Sioux Lookout.

The case is of interest to all buyers of fire insurance on account of a number of points brought out at the trial.

The facts as presented in the evidence are that Fox's, Limited, were operating a general clothing store in Fort William. A store at Sioux Lookout was rented with the intention of putting on a sale at that point and sending goods there from the Fort William store. A local fire insurance agent was asked to place $10,000 insurance on the goods to be moved into the Sioux Lookout store, Fox stating that the value of these would be about $14,000. The agent placed $3,000 insurance in each of two companies he represented, and $4,000 in another, the London Mutual Fire Insurance Company. On receipt of the application at head office, the latter company immediately notified the agent at Fort William that it would not accept the risk. The agent then notified Fox verbally that the policy was cancelled. As it was pledged to the bank as security for a loan on the goods and as it was Saturday afternoon, the agent was unable to secure the return of the policy. He tried the following week, but was unsuccessful. In the meantime, on instructions from Fox, he had replaced the insurance, $2,000 in each of two other companies. Eight days after the verbal notice of cancellation the goods were burned.

The two companies with $3,000 insurance on the goods, each settled for $1,500. Fox's, Limited, made an assignment later and the present suit was brought by the authorized trustee of the creditors.

The question of whether the verbal notice of cancellation was sufficient arose. This has long been a disputed point in fire insurance circles. The act specifies 7 days' notice and in a different section mentions a written notice. The point is not yet clear and Justice Kelly did not find it necessary to decide on the point.

The court considered that the insurance company proved that only a fraction of the $14,000 worth of goods was in the building at the time of the fire and that the plaintiffs had been fully paid for the loss. As this constituted misrepresentation, Justice Kelly dismissed the case with costs.

Some holders of insurance policies resent the occasional delays in the payment of claims, but all should remember that the insurance company is always open to what are known as moral risks and must protect itself, for the benefit of those having legitimates fires as well as its own position.

There are always claims resulting from illegal action, and experience shows that these tend to increase in periods of business depression. As a rule the companies settle claims promptly, and it is only when suspicion of fraudulent dealings exists, that resistance to claims develops. On account of the adverse publicity in legal actions the companies prefer to pay rather than fight a claim, but sentiment among some managers is that they should oppose suspicious claims more frequently.

COMPANY REFUSES PAYMENT BECAUSE POLICIES LAPSED

Must Prove Insurability Before Policy Can be Reinstated

A feature of life insurance, which is attracting much attention of late, is the lapsing and reinstating of policies. The provisions in any policy relating to this are of much importance to any policyholder and are often the cause of serious disputes. A case in the British Columbia Supreme Court last year covers an important point. An insurance policy contained the following clause: "Reinstatement if within the first two years that this policy is in force, default be made in the payment of any premium due, or obligation given settlement therefor, then this policy shall ipso facto become void, but it may be reinstated within two years from the date of lapse upon the production of evidence of insurability satisfactory to the company and the payment of all overdue premiums and any other indebtedness to the company under the policy." The court held that the giving of a note for the amount of premium due was an "obligation given in settlement" of the premium, but that payment of the note after the death of the assured of which the company had no notice, could not entitle the beneficiary to recover, it being impossible to produce evidence of insurability, a necessary condition to reinstatement, under the policy.

This decision touches on a condition of the policy on which the majority of those insured have little information. All life insurance policies issued in Canada make provision for thirty days of grace for the payment of renewal premiums. The experience of most companies shows that a great many policyholders do not pay until the end of this time, and often after the period has expired, believing that the company is anxious to secure the renewal and will accept it in any event. It is true that the companies desire renewals, but their interest is somewhat different from that of the agent. They are more interested in avoiding a bad physical risk and are availing themselves to-day more than formerly of the clause requiring satisfactory evidence of good health before reinstating a policy. Most companies have different forms for this purpose, varying with the period in which the policy has been lapsed. Where this is less than a month, it is usual to require only a declaration from the insured; if it is longer, a medical report of some sort is usually required.

Within the thirty days, a note settlement may be effected in lieu of cash if the latter is not possible. Most companies, however, require at least enough cash to cover the premium on a term plan for the duration of the note. This is done to protect the company against loss in case the note is not paid at maturity.

A clause has been introduced in all policies known as the "non-forfeiture clause." This provides that in the third year and thereafter the policy does not lapse at the end of the customary thirty days, as long as there is any cash surrender value left, clear of any liens. Instead of writing off the policy as a lapse, the company pays the premium with sums from the cash value and records those sums as loans against the policy.

All those finding themselves unable to meet premium payments should communicate with the company's agent or head office and effect a settlement before the end of the days of grace, as it is only in this way that they can insure the continuance of their protection under the policy.

Insurance Bulletin Warns Against Fires

The heavy fire losses are causing the fire companies to pay more attention to fire prevention. Among a number of pamphlets issued there is one commenting on the heavy fire at Ailsa Craig, when the entire village was almost wiped out. It reads:

"On the morning of May 8th, 1923, the council of the Village of Ailsa Craig met in session and decided to procure adequate apparatus to protect the village against fire. What admirable foresight, had any other village in Ontario, on that particular morning, taken this definite step in the direction of fire prevention! What irony for Ailsa Craig! The fire fiend had done his deadly work. As the councillors, with emotion, discussed the measure, the ashes close by were still hot; twenty buildings were a pile of smoking ruins; several families were homeless; losses of $100,000 had been sustained; and the whole community was condemning the crass policy which always argued that next year would be time enough to see to their fire protection."

TRUSTEE INVESTMENTS

Under the title of "Trustee Investments" the Dominion Securities Corporation has issued a very interesting and comprehensive booklet covering the subject of investments which are authorized for trustees in the various provinces of Canada and in Newfoundland.

The brochure, containing twenty-three pages, devotes a section to each province and to Newfoundland which gives particulars of just what kind of security a trustee may invest in under the laws of the province or the colony concerned. References are given throughout to the various acts governing Trustee Investments.

It is estimated by J. F. Ryan, manager of the Canadian National Bureau of Breeding, that between the present time and the close of navigation here next autumn fully fifty thousand head of cattle would be shipped from various parts of Canada through Montreal to the British market. To date approximately ten thousand head have been shipped.

FIRE AUTOMOBILE MARINE
British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
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PAID UP CAPITAL AND RESERVE $1,240,000
The Imperial Canadian Trust Co.
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Head Office, Winnipeg.
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INTERNATIONAL TIME STAMPS
The most reliable spring-driven stamp on the market. Sets dates automatically. Avoids mistakes and disputes about time in connection with mail, documents, instructions, accounts, etc.
We also make automatic attendance registers, electric time systems, etc. Write for folder.
International Business Machines Co. Limited,
300 CAMPBELL AVE., TORONTO, ONT.

LLOYDS BANK LIMITED
1677
Head Office:
LOMBARD ST., E.C. 3.
CAPITAL: ($5=£1.)
SUBSCRIBED $359,323,900
PAID UP $71,864,780
RESERVE FUND $50,000,000
DEPOSITS, &c. $1,659,767,335
ADVANCES, &c. $616,943,395
1,600 Offices in England & Wales.
Colonial & Foreign Department: 20, King William Street, E.C. 4.
The Agency of Foreign & Colonial Banks is undertaken.
Affiliated Banks:
THE NATIONAL BANK OF SCOTLAND LIMITED.
THE LONDON & RIVER PLATE BANK, LIMITED.
Auxiliary:
LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK LTD.

THE ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter, 1727
Paid-up Capital .. £2,000,000
Rest and Undivided Profits, Oct., 1922 1,403,735
Deposits, Oct., '22 40,265,016
HEAD OFFICE:
St. Andrew Square, Edinburgh,
General Manager—A. K. WRIGHT, C.B.E., D.L.
Secretary—J. B. ADSHEAD.
LONDON OFFICE:
3 Bishopsgate, E. C. 2.
ALEX. DICK—WM. WHYTE
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GLASGOW OFFICE:
Royal Exchange Square & Buchanan St.
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186 Branches throughout Scotland
Every description of British, Colonial and Foreign Banking Business transacted.
Foreign Exchange. Correspondence Invited.

TAX LESS AND CUT EXPENSE SAYS MARLER

Thinks Effort Should be Made to Balance Budget

FIXING THE INCOME

Minister Will Have Right to Decide as to Particular Branch of Business to Bear Tax Levy

OTTAWA.—Paragraph F., of subsection 1 of section 3 of the Income Tax Act of 1917, has been repealed and the following substituted therefor:

"(f) In any case the income of a taxpayer shall be deemed to be not less than the income derived from his chief position, occupation, trade. business or calling, and for the purpose of this Act the Minister shall have full power to determine the chief position, occupation, trade, business or calling of the taxpayer. Where a taxpayer has income from more than one source by virtue of filling or exercising more than one position, occupation, trade, business or calling, then the Minister shall have full power to determine which one or more, or which combination thereof shall, for the purpose of this Act, constitute the taxpayer's chief position, occupation, trade, business or calling, and the income therefrom shall be taxed accordingly and the determination of the Minister exercised pursuant hereto shall be final and conclusive."

Mr. Fielding—Where a party is engaged in several lines of business, questions arise as to the particular branch of business on which the tax should be levied. It is desirable we should make it clear that whatever is determined to be his chief occupation shall be recognized as the basis of taxation; and as doubts have arisen in that respect, it is made clear here that the minister, in the event of a dispute of that character, shall have the right to determine what is his chief occupation; and the tax shall be levied accordingly. It is, perhaps, debatable whether we have that power now, but this is designed to make it quite clear.

Mr. Marler—As I understand from the minister that next year there is likely to be a consolidation of the act, I will in no way suggest to him any amendments I might have to submit to the bill he is now bringing down. It will be well for me now to suggest to the minister certain matters which I should like him to take into consideration when he does undertake the consolidation he has announced.

Where the taxpayer has legal deductions under Class B income, if those deductions exceed the total of his Class B income, then I think he should be permitted to have a deduction for the surplus made from Class A income. In short, the taxpayer should pay on his net income. There is another point which I would draw to the attention of the minister and that is in regard to the manner in which the tax is computed at present. There is the normal tax, there is the surtax, and there is the interest on the surtax or the supertax. This is not only exceedingly onerous on those who are unfortunate enough to have to pay income tax, but it makes it very difficult indeed to compute the tax. Another question that comes to my mind, and which possibly may not be very popular in this House or to the minister, but which I would venture to suggest nevertheless, even at this time of the session. I believe that the income tax to-day is far too heavy. That tax under the act as it stands at present is not helping to stimulate savings; it is not stimulating business. I believe that the taxpayers, having to pay as they do pay to-day very heavy taxes, are utterly unable to invest any money in industrial concerns, and for that reason the progress of the country is seriously impeded. In the United States if I might refer to that republic for a moment, a deduction is allowed or a lesser tax is levied on account of the savings of a particular taxpayer. If a taxpayer can show a bona fide saving in any year, he is allowed a lesser rate of taxation on the amount actually saved. This encourages economy, which is very essential in this country, and I think it is a very important question that should receive careful consideration when the minister comes to take up the consolidation that he has mentioned. Certain deductions are allowed under the present income tax law. Under the act as passed in 1917—this was during the war, of course—deductions were allowed for contributions made to the Red Cross and patriotic funds. I am aware, as I think are other members also., that representations have been made to the minister to allow deductions for contributions to bona fide charitable or educational institutions. The deductions allowed under the 1917 act for contributions to the Red Cross and patriotic funds were subsequently withdrawn. The work which those funds carry on is far from finished and there are numerous charities badly in need of funds, not only in the city of Montreal, but all over the country. These charities are having greater difficulty year by year in securing funds for carrying on their work, which, in part at least, is really the duty of the state. I ask that contributions made to bona fide charitable and educational institutions be allowed as deductions or that they be taken into consideration when the new act is framed.

It is quite true that the minister will immediately say: Well, all these demands must mean a diminution in the revenue. I quite admit that, but still as regards charitable and educational institutions I do not think the state can claim for one moment that deductions allowed for contributions to them will not eventually ensure ten times more to the benefit of the state. Again I quote the income tax law of the United States, under which individual taxpayers—not corporations—are allowed deductions up 15 per cent. of their taxable income, provided that these deductions are paid to a charitable or educational institution approved of in the proper way. There is no question that in allowing deductions of this description and allowing also a taxpayer to pay on his net income alone— which do seem to be perfectly fair and reasonable requests to make—there will be a certain reduction in the amount which will be collected under the income tax law. On the other hand, possibly it is pertinent to suggest that the income tax law was originally framed for the purpose of paying our war debt. Whether the amount derived from income tax can ever be segregated for this purpose I cannot presume to say, but I think I may go this far, that the time does seem to have arrived when the people are strained to the uttermost in their efforts to pay taxes. I am perfectly aware that without these taxes the budget cannot be made to balance as we are budgetting at the present time. The only suggestion I venture to make in these last few days of the session is that we should really live within our income, and that our budget should, if possible, be made to balance with the taxes that are collected. It is quite true that my suggestions would mean a certain decrease in the net revenue collected from income tax, but at the same time it would be an encouragement to people to be charitable and economical.

It seems to be that with our budget deficits year by year we must come to the point sooner or later and the sooner the better, when we should live strictly within our income.

Mr. Fielding—How?

Mr. Marler—By spending less, actually cutting out many, many things we now spend money on. Perhaps this is the most unpopular thing for any member to say in the dying days of the session, and I suppose everyone will criticize me.

An hon. member—Not at all.

Mr. Marler—But let our expenditure be pared down ruthlessly. We should reduce our expenditure to the very minimum and restrict it to keeping our buildings and our public works in repair, in order that we may make our budgets balance without having to increase taxation.

MINISTER TO FIX RATE ALLOWED ON BORROWED MONEY

(Continued from page 2)

of fact, the borrower is paying over $160,000 a year interest on the $2,000,000 borrowed. This gives the minister power to allow only $120,000. That is not fair; it is not just.

Mr. Fielding: In the case my hon. friend mentions there would be no difficulty whatever. The man is actually paying 8 per cent. or a fraction more; under the circumstances that would be a fair and reasonable rate and would be allowed.

Mr. Hanson: That is not what the resolution says.

Mr. Fielding: So far as giving the minister power is concerned, I am not anxious to have that power; if it could be exercised by somebody else, I should be happy to agree to that. But I am told that in the experience of the department cases are arising which make this a necessary measure.

Mr. Hanson: I can understand cases arising where a man has deliberately bonded his property by the issue of high interest-bearing bonds and has taken the premium himself without putting it into his business. That, of course, is a form of fraud.

Mr. Fielding: He has a right to do it.

Mr. Hanson: I do not say he is doing it illegally, but he is certainly doing it with the idea of defeating the act. A case of that kind should be met on its own merits in a different way. Now, money may at a given time be worth five per cent., while a man is paying over 8 per cent. for a period of, say, twenty years. If the minister will give me an assurance that the department will in a bona fide case allow the actual amount of interest paid, I shall not have another word to say, but there is no such assurance in the resolution.

Mr. Fielding: In the case cited by my hon. friend, where a man has paid 8¼ per cent.; where that is the rate he is obliged to pay and he is going to pay it for twenty years, he should be allowed that rate. All these cases will have to be judged on their merits. In all laws of this kind somebody must have the responsibility and I do not know how you can do otherwise than leave it to the minister and trust him to exercise the power in a rational manner. As I say, though, if some other method could be devised it would be very agreeable to me.

Mr. Stevens: Let us say that bonds bearing interest at 6 per cent. and extending over a term of five years are sold at 90; that would make the rate of interest 8 per cent. As I understand it, in a case like that the department will not allow the spread of that capital loss as an interest charge over the succeeding five years, though in the ordinary course of business that is exactly what is done. When a firm sells a bond issue at a loss they simply calculate it as an added interest on the bond, and in my opinion that is the way it should be dealt with by the department. But as I understand it, unless the matter is rectified in this legislation, the department simply call that a capital loss and no allowance is made.

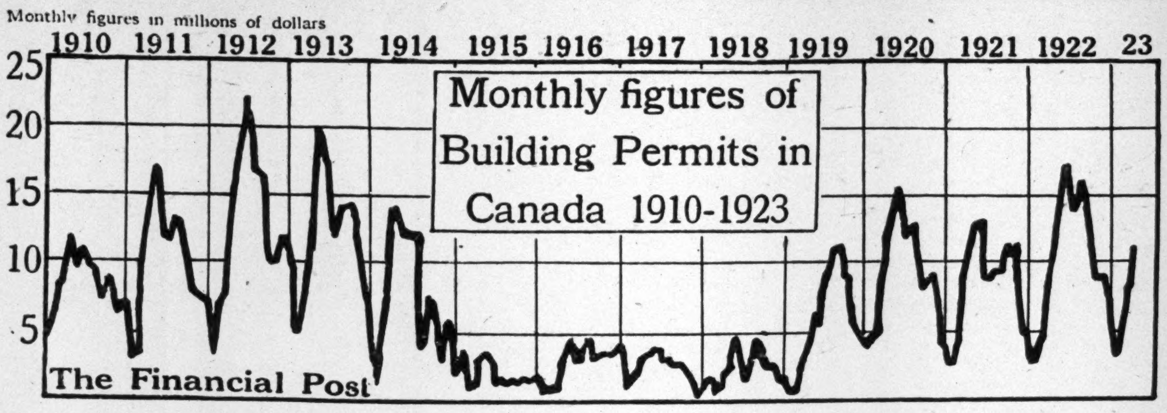
Mr. Fielding: That is the law as it has been administered for some time. I am not anxious to invent troubles; I meet those that come. We were advised by the Department of Justice that the discount was a capital loss and should not be allowed.

Mr. Stevens: Undoubtedly the justice department would give such a decision, based on the law as it stands, but what I suggest is that we should adjust the law so that what is in common practice recognized as an interest charge shall be so regarded by the law. Then the justice department would certainly give the opinion that under the amended law the discount would be an interest charge and not a capital loss. Why not take power in this act to determine whether the present discount should be allowed as interest and not capital loss?

Mr. Fielding: This matter has been settled in the practice of the department for some years, and I hesitate to depart from it. The department years ago ruled that the discount was a capital loss which should not be credited. I suppose something can be said on both sides of the question, but that has been the fixed policy of the department and I am reluctant to depart from it. In this matter I am rather disposed to take the doctrine, "what we have we'll hold," and what we have not got we'll try to get if it is necessary for efficient management.

Mr. Stevens: Just one comment on the minister's explanation. Does he not see that the tendency is to drive issuing companies to issue at a high rate of interest so as to earn a premium rather than at a lower rate of interest and sell at a discount? Just let me point out the advantages of a discount, if money happens temporarily to be dear. Very often a firm rather than fixing a high rate of interest on a long term bond would prefer to sell at a normal rate of interest and accept a discount spread over the term of the bond. That is preferable in my estimation in normal business to selling bonds at a high rate of interest and securing the premium. The legislation presented here will have a tendency to force concerns to sell their bonds at a high rate of interest, which is certainly not in the interests of the department or the revenue of the country. I think while my hon. friend is certainly right in not seeking trouble, he must recognize that it is good business practice to sell a bond issue at a discount and absorb the loss in the interest charge from year to year.

Mr. Fielding: I have no doubt that a law like the Income Tax Act will at all times be open to suggestions of possible changes. I am inclined to think it is desirable that we should have a consolidation of the income tax law, and when we come to deal with that consolidation in a proper way these suggestions may well receive consideration. I would not like to adopt the suggestion of my hon. friend in this measure, which only aims to deal with a few points about which there ought not to be much difficulty.



Building in Canada is still behind the rate of construction noted during the pre-war building boom of 1910 to 1914 even in terms of dollars—which are on a depreciated basis of value. This chart, which indicates the monthly figures of building permits issued in Canada, as compiled by THE FINANCIAL POST, since 1910, shows that while there has been a large amount of work in Canada since the end of the war, the rate of construction is still under normal. When allowance is made for the construction shortage of the war period and also for the higher cost of labor and all other elements entering into the value of the permits issued, it will be seen that building may be expected to develop upon a much larger scale in Canada during the next few years if costs can be brought to a level to encourage the investment of capital.

BIG CONSUMERS OF FLOUR

Figures issued by the United States Department of Agriculture show that Canadians consume 9.5 bushels per capita annually. France is second with 7.9, followed by the United Kingdom with 6, Australia 5.5, United States 5.3, Argentine 5.2, Chile 3.4, Sweden 2.5, Mexico 2.8, Germany 3.2, British India, .8 and Japan .5.

COURSE FOR RETAILERS

Discussing the likelihood of a course for retail merchants in connection with Toronto University Extension, to be held after the regular summer course at the University, W. J. Dunlop, director, states that the course, if introduced, will probably consist of classes in English literature, psychology, Canadian history, cost accounting and salesmanship. "I do not feel that the University would be justified in bringing these men and women here only to specialize in their own branches. They must and wish to get some of the real university education —something cultural as well as technical," said Mr. Dunlop.

CANADIAN FUELS TO DISPLACE THE U.S. ANTHRACITE

Prejudice in Favor of Imported Supply Disappearing

In view of the prospect of renewed labor disturbances in the anthracite coal fields of the United States, interest attaches to efforts being made to supplant anthracite imports with Canadian products. The Dominion Fuel Board in an interim report on the question points out that the coal-consuming public have a decided predeliction in favor of United States anthracite—in many cases it is really a prejudice so deeply ingrained as to result in refusing to give even a fair trial to substitutes. Especially in spring and autumn, substitutes can be used to advantage, not only as regards saving expense to the householder, but also in respect to the bearing it has on ameliorating the difficulties of fuel supply generally. The Board has been fighting this prejudice and proposes to continue to do so. The report continues:

No more convincing instance of the delusion of the public by such a prejudice is afforded than in the circumstances surrounding the entry of Alberta coal into the Manitoba market. Prior to the war the needs of the province for domestic heating were supplied almost entirely by United States anthracite. After that country entered the war, the demand at home became so great that the Fuel Administration in 1918 had to cut the supplies of Manitoba in half.

At a public meeting in Winnipeg, when C. A. Magrath, the Canadian Fuel Controller, made this announcement, all kinds of protests and objections were made. It was stated that Canadian coal was not suited to the needs of the people of Manitoba and that untold hardship and suffering would result. But they did not. Under compulsion the people of Manitoba found that Alberta coal was well suited to their needs and have continued its use long after fuel control ceased. To-day Alberta domestic coals have practically driven United States anthracite from the Manitoba market. Last winter approximately 79 per cent. of the coal used for domestic purposes was mined in Canada. Had the war not compelled coal consumers in Manitoba to use Canadian coal they would probably still be under the delusion that only United States anthracite could be used to heat their homes.

The board emphasizes the need of keeping the pressing nature of the fuel problem before the public mind. After passing through a period in which our supply of anthracite from the United States has been interrupted and restricted by an unusual combination of labor and transportation difficulties, it is only natural to expect a period of several years comparatively free from such unusual circumstances. When the usual supply is forthcoming, there will be a tendency to forget the relentless approach of the time when the anthracite fields are nearing exhaustion, when prices will rise to prohibitive heights for the ordinary citizen, and when the pressure of public opinion in the United States will prevent exportation to Canada. Easing in the anthracite supply, that of necessity can be only temporary, will likely be the strongest force tending to prevent other fuels, including our own, gaining a foothold in the Central Canada market; and it brings with it another danger no less real in the sense of false security it engenders in the mind of the coal consumer in the acute fuel area. Your board, appointed as a permanent body to work consistently for a lasting solution of the problem, will do its utmost to keep a long-distance view before the public mind, and to emphasize the constant need of developing the use of substitutes for the fuel on which Central Canada has so long depended.

In both Alberta and the Maritime Provinces the Board is making arrangements to have a thorough survey made of the deposits of suitable coal that can be made available for the Central Canada market. This again is in keeping with the primary object of the Board to utilize our own fuels wherever possible. The Geological Survey will proceed with this investigation. In the event of a large market being developed for Maritime Province coal in Central Canada, it is important to know whether coal from there can be produced in greater volume than is now being done, and the Board is at present endeavoring to select an authority on this subject who will report on the possibility of increasing production.

PUBLISHERS JOIN MANUFACTURERS IN EMBARGO PROTEST

(Continued from page 3)

the Canadians believe will insure Canada a better supply of both anthracite and bituminous coal next fall. According to those in close touch with the situation in Washington, the Canadians have been finding Washington and the larger coal operators extremely willing to help in every way possible. The Federal Government did everything in its power last winter to insure Canada a full coal supply in the face of extremely difficult conditions. Apparently this willingness to help is unchanged. As was pointed out in THE FINANCIAL POST last week, a car shortage in the coal regions and a possible strike may make the question of obtaining a supply of coal for Eastern Canada next winter a very difficult one indeed. The coal miners' strike in Nova Scotia will not make matters any easier for Canada. Under the circumstances is it likely that the Secretary of State will let slip the opportunity to point out to those Canadians who are working in Washington for better handling of Canadian coal next fall that any further interference with the supply of pulpwood the American newsprint industry draws from Eastern Canada would hardly make it any easier for the Administration to facilitate measures for the quicker delivery of coal to Canada next fall?

After talking the matter over with those in a position to know the situation in Washington, your correspondent is of the opinion that the opportunity will not be neglected.

How German Worker is Being Exploited

In a letter in the London Times of June 21, Ernest L. Franklin, a partner in Samuel Montagu & Co., and one of the leading authorities of the world on foreign exchange, points out that the purchasing power of the German skilled artisan's wages, paid in marks, amounted to 30 cents a day in what Mr. Franklin calls gold wages. As a pound of lard, the price of which is relatively reasonable in Germany, costs there 14 cents gold, the steadily declining position of the worker will be appreciated, even if he is living practically rent-free at the expense of the landlord, who is one of the helpless victims of mark depreciation. But it is easy to see the extent to which the German workman is being exploited.

What Confederation Did for the Maritime Provinces

John Nelson's big series grows in interest-compelling features.

In this, the fourth of his "THE PROBLEMS OF OUR PROVINCES" he deals with the Maritime Provinces and the result is a startling array of little known and little appreciated facts. Business men of Canada's Central Provinces will do well to study the facts Mr. Nelson has marshalled in his first article on the Maritimes.

Stephen Leacock

In the concluding article of his now famous series "The Drama As I See It," Canada's famous humorist takes liberties with the historical drama. Famous dramatists of other days will congregate across the Styx and watch in horror the antics of their age old heroes distorted beyond recognition by Leacock's satirical pen.

"Success"— Albert Richard Wetgen

The author of the "War of the Captains" privides a well drawn picture of the perils of the "Graveyard of the Atlantic" where in the path of monsters liners a small coaster dodges its mammoth sisters but finally plunges to destruction on the sharp teeth of a dangerously reefed shore.

Other features in the

July 15th issue

"Black Ice"--Lloyd Roberts

"The Case of the Wicked Fool"
Horace Annesley Vachell

"White Gander"--Virginia Coyne

"Watchman. What of the Ice?"--Tom Wayling
The other side of the Hudson Bay route discussion as lately discussed in MACLEAN'S by Tom Fraser.

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CANADA'S BRITISH EXPORTS ALARM WESTERN STATES

Farmers Do Not Like New Trend of Cattle Trade

WANT TARIFF CUT

Say No Benefit Derived From Fordney-McCumber Legislation—Republican Governor Changes Front

From Our Own Correspondent

NEW YORK.—Canada's apparent success in finding a market for her cattle in Great Britain has thoroughly frightened the cattlemen of the American Northwest. It has also driven the American Farm Bureau Federation, one of the most powerful of the American farmers' organizations, to issuing an announcement protesting against the failure of the Tariff Commission to cut the present duty on Canadian cattle in half. In the meantime, it points out, trade which is very beneficial to many American farmers is disappearing, perhaps forever. Ten thousand head of cattle have already been shipped from Canada to Great Britain and some fifty thousand will have been shipped before September. For ten years this cattle has found its market in the United States.

Canadian cattlemen favor the American market for a number of reasons, the statement points out, but at present they cannot sell their cattle at a profit on this side of the international line. This fact is reacting on business in the American West in a number of ways. It has already reduced the volume of Canadian buying in the United States and will ultimately shift Canadian buying from the United States to Great Britain.

Farmers Dissatisfied

The statement ends as follows: "The Federation, after a thorough investigation, has concluded that there was practically no benefit to any phase of the American cattle industry from the Fordney-McCumber Tariff and a distinct injury to the cattle feeders."

This latest protest of the American Farm Bureau Federation is generally accepted here as a further indication of the general dissatisfaction felt in the American Northwest with the results of the agricultural sections of the Fordney Tariff. It comes upon the top of the demand that the Government take over 200,000,000 bushels of wheat from the Western grain growers.

That the Fordney-McCumber Tariff has not helped the American farmer in the least, is the statement made by Governor J. A. O. Preus, of Minnesota, the regular Republican nominee to succeed the late Knute Nelson in the United States Senate. The Governor of Minnesota is meeting strong opposition in his election campaign from the Farmer-Labor party. The farmers of Minnesota, according to local students of the political situation in the West, are very much dissatisfied with the effects of the Fordney-McCumber Tariff and it is believed the Governor, in his desire to win the election, is being forced to frankly repudiate the tariff policy of his own party.

A Change of Front

From the Canadian point of view, the campaign in the Northwest apparently offers another proof of the change of front made during the past two years by the agricultural interests of the Western States towards a policy of protection for farm products. As Canada knows, the Western farm bloc was largely to blame for the imposition of the tariff on farm products. A statement such as that quoted above coming, as it did, from the Administration candidate in the leading Western grain-growing State, may, therefore, in the opinion of many students of the Western political situation, be regarded as a clear indication of the attitude toward the tariff on farm products the farmers will take in the election campaign of 1924.

Better Conditions Now for Crops in Quebec

From Our Own Correspondent

MONTREAL.—A rather mixed state is shown by Quebec government crop reports. Seeding was delayed from a week to a month in most parts of the province, but when it was completed, satisfactory progress was made until drought appeared. The drought had a bad effect, although mitigated to some degree by the rains at the end of June. The real condition of the crops can probably best be judged in the course of another week or so when the effects of recent favorable growing conditions can be more adequately calculated. The fruit crop will likely be good.

On a recent afternoon, in Fort Wayne, Indiana, S. F. Bowser stood beside the 1,000,000th self-measuring Bowser pump.

BACK TO RANCHING

Although some years ago, P. Burns, millionaire rancher and packer, sold eight of his ranches, the new turn of the cattle industry following the removal of the British embargo, has turned his attention to the ranching industry and he has traded his $400,000 Calgary business block for the Glengarry Ranch, west of Claresholm, a property that was owned by British investors. This ranch consists of 22,000 acres of deeded land with improvements.

U.F.O. Twine is Held Under Dumping Clause

There has been much speculation in cordage circles concerning this year's order of binder twine of the United Farmers' Co-operative Company from the Belfast Rope Works. Efforts were made to have the government levy duty on last year's shipment of twine to this co-operative organization under the Dumping Act.

Hardware and Metal prints a statement from H. B. Clemes, manager of the United Farmers' Co-operative Company, to the effect that of this year's shipment of 1,500 tons 400,000 lbs. have been held by the Department of Customs in lieu of dumping duty.

ALBERTA SEEKING LOWER COAL RATE

Railway Heads to Discuss Matter With Representatives of the Government

From Our Own Correspondent

EDMONTON.—Another effort is about to be made to secure a reduction in the railway freight rate on eastbound coal, in order that Alberta mines may do business with the Ontario markets. A conference is to be held in this city on July 16, at which the provincial and federal governments and the two railway lines will be represented. Sir Henry Thornton will attend for the Canadian National and D. C. Coleman for the Canadian Pacific.

Premier Greenfield, who is the prime mover of the matter, is in hopes that it may this time be possible to strike a rate that will enable Western coal to sell competitively in the East, and to that end new data as to actual costs of production, secured by the provincial government in consultation with the operators, will be submitted at the forthcoming conference.

It will be recalled that Sir Henry Thornton offered some weeks ago a rate of $9 per ton from Alberta to Toronto, this being a cut of some $3 on existing tariff. From the standpoint of the operating interests here, however, such a rate is still far too high, if not actually prohibitive, and therefore, the repeated request for a further reduction. Sir Henry came back with a request for co-operation on the part of the coal men, intimating that it was now their turn to take some of the sacrifice involved in getting their product on the market. A rate of from $6 to $7 per ton is generally regarded as necessary, and this next conference will show whether or not it will be possible to agree on such a rate and so to get the Alberta-Ontario coal trade fairly started.

EASTERN CROPS IN BETTER CONDITION

Warm Spell and Showers Helped Ontario, Quebec and Maritimes

Crop conditions in Ontario, Quebec, and the Maritimes, have greatly improved of late. Recent warm weather has helped materially, while warm rains have been decidedly beneficial.

Fall wheat in Ontario is doing well, a good average crop being indicated. Spring wheat and rye crops are small but satisfactory. Root crops are ideal. In some districts the opinion is expressed that farmers will find it hard to get their grain harvested for lack of help. Experienced Canadian help is much preferred to that which is being imported.

In Quebec, according to the Bank of Montreal, oats have improved somewhat of late. Reports on hay prospect vary considerably, but on the whole an average crop is expected. Pastures remain in good condition. The late season has kept crops back and in general they are not in such good condition as this time last year.

In the Maritimes the season has been dry and backward, but recent warm rains have greatly improved the situation. All crops are now progressing favorably. Present indications point to a large apple crop.

Haying is general all over Ontario. Frequent rains have affected both the cutting and the quality of the cut. Many farmers also have been caught by lack of help.

Fall wheat is coloring rapidly, and will soon be ready for harvesting. Complaints of the presence of Hessian fly come from several counties.

HAS THE MARKET DISCOUNTED U. S. CHANGE IN SILVER?

(Continued from Page 1)

Manager McCloskey has been looking over the claims and sent a man down to stake them as they were open, but when the staker arrived he found that others had staked ahead of them. The stakers did not have to hold long before they made a deal.

Manager Fraser Reid, of the Coniagas Mines, states that operations to dewater the Beaver to the 1,600 level for the purpose of exploring the diabase-keewatin sill is being proceeded with. In the meantime operations on the upper levels are meeting with considerable success.

No change in conditions at the mine are responsible for the low price of Nipissing stock, which recently sold at par, $5, and which has since improved slightly. Development is going ahead with good success and production has been up to the average. Your correspondent took a peak into the vault and counted 300 bars of silver bullion, each weighing 79 pounds. This is about two months' production.

The population of Greater Vancouver is 266,524 persons, according to the annual publication of the local directory. This is an increase of 12,777 in population during the year.

More Vicious Propaganda

The Toronto Star, the junior Soviet daily, has not yet acted on our suggestion to name any reputable firm which encouraged strikes among its workers. Mr. Joseph Atkinson's paper said that Colonel Maclean and THE POST were in a haunted wood in asserting that foreign interests were spreading anti-capitalistic, anti-British propaganda among University students throughout Canada; that when challenged to give the name of a young German-Russian who, late one night, met a selected group of students from each affiliated college and department in Toronto called by an official of Toronto University to organize for the purpose of combating capitalism in Canada, THE POST was unable to do so, etc. We offered to give the name and more information, provided The Star would name the business men who were encouraging strikes.

However, we are quite prepared to give and will give the names without any proviso and also sufficient detail to show that we have not exaggerated the dangerous nature of these propagandists; for, unlike Mr. Atkinson and his friend, Prof. Salem Bland and his "idle rich" Canadians, whom he attacks from the pulpit, we are not playing to prejudice but putting facts before the fair sense of Canadians.

The trouble with THE POST is not the lack of evidence or the lack of sensational stories, but the lack of space even if it were wise to do more than we have—that is, merely to warn the teachers, students and parents of the insidious work going on in our schools and colleges under foreign inspiration to create discord, to spread false views, to encourage false ideals and immorality, to set class against class.

The exposures in THE POST have brought much additional information from far-distant parts of Canada to which hitherto little attention had been given. One of these seems to be of special interest at this time. Business men have been appealed to in a number of centres to give generous contributions for certain women's organizations throughout Canada formed to attack Roman Catholicism, and much bitterness has been developed as the result. There is no question about the sincerity of these good women, but it is a very interesting coincidence that the movement was given impetus, if it was not inaugurated, last year by a magnetic Englishman who called on a number of leaders in Canadian women's activities at their homes. He explained that he was on a mission to Canadian colleges and was taking advantage of his presence on this side to interest Canadian women in the protection of Protestantism. If his alleged facts were true, THE POST agrees it was time for the Protestant women to arouse themselves, but the interesting fact is that the visitor bears the same name as one of the chief leaders in England of Sovietism. He is a member of the great central Executive Committee of English, American, German and Russian Communists which has just been meeting in Moscow. From the speeches made there, it appears that less attention than hitherto was given to an immediate world revolution but more to planning and carrying on anti-religious propaganda. The chairman, G. S. Zinovieff, in closing said:

> "In our program we do not declare war against honest but religious workmen, but our program is based on scientific materialism, which includes unconditionally the necessity of propagating atheism. Certainly, however, anti-religious propaganda must be carried on wisely."

What more effective policy can they pursue to gain these ends than by setting two great religious classes against each other? If those who think that stories of foreign propaganda are nonsense are referred to the facts in connection with the present Nova Scotia troubles and to the official statement in the British House of Commons recently by Sir P. Lloyd-Graeme, President of the Board of Trade, that the stoppage of Soviet propaganda in the British Dominions was an essential corollary to the trade agreement between Britain and Russia.

TO HANDLE OUR GRAIN THROUGH CANADIAN PORTS

Additional Facilities to Prevent Congestion in Transport

From Our Own Correspondent

OTTAWA.—The voting of a loan of $10,000,000 for the port of Vancouver, of another of $5,000,000 for the port of Vancouver, together with other votes of $220,000 for a large terminal elevator at Edmonton and a like amount for another at Halifax, shows that the Government is quite alive to the importance of having Canadian grain pass out to the markets of the world through Canadian channels.

The vote for the Edmonton elevator was in response to strong representations made from there by influential business interests, which showed that if a large amount of grain was to move from northern Alberta through the port of Vancouver, more adequate accommodation at Edmonton would have to be provided. The very fact that 19,000,000 bushels of wheat will have been shipped through Vancouver during this present crop year, shows that the possibilities of this route are considerable. It must also be taken into account that last year Alberta had only 75,000,000 bushels of wheat, whereas this year over twice that is expected by many people.

Quite a large volume of American grain is passing through Canadian channels, over 5,000,000 bushels having done so in May, the greater part having been through Port McNicholl. Up to the end of June the port of Montreal had handled 1,900,000 bushels more of all grain than it had for the same period last year.

The greatly increased railway equipment for the handling of the crop should enable the roads to pass it out even quicker than last year, when a fine record was established. If anything like the amount of American grain comes through, as did last year, the port of Montreal will have its own time, even with the extra handling facilities that are now being rushed to completion.

The establishment of a daily newspaper in the Mayo silver camp district is announced by the publishers of the Dawson Daily and Weekly News, who have shipped complete newspaper and job printing apparatus to Mayo City. This is Mayo's first newspaper made possible by the fact that the Federal Government has decided to install a radio station at the camp and establish direct communication with the outside world.

VANCOUVER IS AFTER BIG GRAIN BUSINESS

This is Idea Behind the Establishment of Exchange to Trade in Wheat

From Our Own Correspondent

VANCOUVER.—Formation of an active grain exchange for Vancouver which will function for the handling of the 1923 crop is now under way. Seventy-four charter seats will be sold at $100 each. After all charter seats are disposed of other seats will be sold at a minimum of $500.

VICTORIA.—The city of Vancouver, which is now making such a strong bid for an increased share of the prairie grain trade, is not content with merely the erection of large elevators and the diversion of a heavy volume of grain to the Pacific coast for shipment overseas. What Vancouver wants, above all, is a grain exchange such as Winnipeg has to-day.

This objective has been revealed by those who have taken the most active part in the agitation to swing the grain traffic westward instead of eastward via the Lakes. Financial, commercial and industrial interests of British Columbia intend to make the strongest sort of a fight not only for the creation of a transfer point in this province, but for the establishment of a market here as well, so that large transactions in grain may be made here without reference to Winnipeg or Eastern brokerage houses. It is a big undertaking, but when the youth of this new grain movement to the Pacific is given due consideration, it has already been moderately successful. Several grain brokers have established themselves in business in Vancouver during the past few months, and not a few private elevator companies have commenced active operations.

The Royal Commission investigating questions of grain transportation is expected to reach this province some time in September, and all business interests, as well as the provincial government, are preparing to lay a strong case before this tribunal in the hope that it will be thoroughly impressed with the advantages of the Pacific coast route.

Real Estate Experts Forecast Big Break in Building Costs

Real estate and mortgage experts in Toronto are of the opinion that the peak has been reached in real estate values and that there will now be a move to lower levels. This is the opinion held of the situation in American cities where there has been a building boom in recent years. While the same idea will apply generally to conditions throughout Canada, particularly as involving a reduction in building costs, the degree of the reaction will, of course, be regulated by the extent of the recent boom.

It is pointed out that for three years the boom has continued in Toronto with a remarkable demand for new homes which has led to extensive building. As building costs have advanced values have moved up; demand has kept pace with construction. Now, however, there is a situation where the demand seems to have been filled, there is already a tendency to reduce prices to make sales.

Under these conditions it will require new buying to restore a healthy balance and the real estate and mortgage people believe that prices will have to come down considerably before a new crop of buyers can be encouraged.

The whole situation, of course, indicates unhealthy construction costs which have resulted in inflated prices. To encourage further building, it is evident that there will have to be a reduction in construction costs and the manager of one mortgage company expressed the opinion that it would take a reduction of 20 to 25% per cent. to restore a proper balance.

Cities which have not experienced a boom will not be so much affected by the readjustment. Other cities like Hamilton and London, which do not seem as yet to have caught up with the demand in construction, will be affected comparatively rather than directly.

CANADIAN IDLE RICH ATTACKED FROM THE PULPIT

But Salem Bland Admits That He Knows of None

Rev. Salem Bland is one of a number of college professors and teachers who have for years been teaching students and the public that all the world's troubles are due to the "system" which has brought the social and industrial development of the world in the last century, and incidentally has produced the successful business man. Dr. Bland is a graduate in classics from McGill, and has been a professor in Montreal, Alberta, and Manitoba Colleges. In his farewell sermon at Broadway Tabernacle, Toronto, he stated that "the darkest hour of my life was in 1917, when I was thrust out of Wesley College, Winnipeg, because I taught the students the same doctrines as I am now proclaiming." There is little doubt that a percentage of his students went out into various parts of Canada and handed on the theories taught by him. When he was not busy teaching students, he was addressing gatherings of workers in support of the same destructive theories. It is a mistake to underrate Dr. Bland's power as an orator, and his "inspirational" influence, for a lot of Canadians who have taken no more trouble to investigate the root causes of our industrial and social troubles than he has done, have accepted his theories and have taken every opportunity to hamper, injure, and punish the men who are doing big things for the upbuilding of Canada.

Addressing a large congregation the other day, he referred again to the "idle rich." He said there are men who have studied and schemed until they are past masters in the art of exploitation, so skilful that they take the last ounce of flesh, that they can skin you alive and do it artistically. The chance for the poor man or the ordinary laborer to make himself even comfortable is smaller to-day than fifty years ago. He said that the world wanted a religion that would rebuke the aggressor; that the church must outbid the socialist in picturing to the masses the golden age to come; the church that talks only of heaven and of getting people there will be flung out on the scrap heap in disgust.

When the doctor was approached a couple of days later by a representative of THE POST, he was unable to name one of the "idle rich" whom he had scathed in his sermon, but said there were very few in Canada. Perhaps all of them in Canada were the sons of wealthy people. There were some in England and the United States—in England there were very many. In Canada, the rich man was usually a very busy man and a hard worker, and it was his gifts to the church which caused the church to force him into office, just out of gratitude. Many of these men were good Christian men, and did not desire office, but the church forced it on them. They did not attempt to interfere with what the minister preached.

THE POST representative then asked, "but if the idle rich are simply the spendthrift sons of wealthy men, you would not likely find them in church, anyhow?" To which Dr. Bland agreed. He said that the church would gain ground if it "rebuked" the wrongdoers. It must elbow to one side the bolshevists and socialists and take the lead itself. There was widespread exploitation and the Anglo-Saxon race would not always bend the neck and endure it patiently. Therefore the church must show the way to a better state of things. A minister could always talk well about generalities of the Kingdom of Heaven and people would respond, but when he began to apply the religion of Jesus as a practical thing, then it was a different matter. The interviewer suggested to the doctor that the church had approved or condoned things yesterday which were condemned to-day; and that things approved to-day would be condemned to-morrow. What therefore was the real religion of Jesus in all these matters? His reply was that revelation is progressive! On the question of rich men controlling churches, Dr. Bland said that a man with $5,000 a year sometimes controlled one church more definitely than a man with $50,000 could control another. Much depended on his interest in the work and his personality. It was not necessary to be a very rich man to get such a control.

In common with the rest of the world, Canada is suffering from the after-effects of an industrial and economic cataclysm, though to a much less degree than many other countries are doing. Reconstruction is always a slow and painful process, and requires goodwill and mutual confidence. When influential teachers and ministers give out plausible theories which irritate the minds of the people against the business leaders of the country, there results campaigns for "conscription of wealth," whatever that might mean, and business—already fighting to keep its head above water—is burdened with pettifogging and unjust taxation, which simply postpones the recovery of the country from the post-war smash.

There is no question as to the genuineness of Dr. Bland—he really believes the destructive theories which he preaches—but he is simply adding irritants to a bad condition which needs constructive and co-operative effort of all classes, workers as well as employers.

Brandram-Henderson, Ltd., Montreal, are planning the erection of a new factory there, costing about $200,000. Construction work will start very shortly.

MUNICIPALITY OF THE COUNTY OF INVERNESS

TENDERS FOR DEBENTURES

SEALED Tenders, addressed to the undersigned, and marked "Tenders for Debentures," will be received up to and including Wednesday, July 18th, 1923, for the purchase of $50,000.00 5½%, 20 years, coupon debentures of the Municipality of the County of Inverness, dated May 1st, 1923. Denominations $500.00. Interest payable half-yearly at the office of the undersigned.

Purpose of issue: Construction of Insane Asylum.

Issue authorized by an Act of the Legislature of the Province of Nova Scotia, 1920.

Purchase price to include accrued interest to date of delivery, and place of payment and delivery to be specified.

The highest or any tender not necessarily accepted.

J. ALBERT MACDONNELL,
Treasurer of the Municipality of the County of Inverness.
Port Hood, N.S., July 7th, 1923.

Tempered Optimism of Minister of Trade

The view is expressed by Hon. J. A. Robb, minister of trade and commerce, that while there is still a great deal of unsettlement in the world, commercial conditions have steadily but slowly improved. Even in Europe the situation is gradually settling itself; one encouraging feature is that Austria seems to be taking heart and is making what looks an honest attempt to rescue herself from the slough in which she found herself after the war.

So far as conditions in Canada are concerned, Mr. Robb believes that, taking all things into consideration and assuming that we will have a good crop, the future, so far as industrial conditions are concerned, may be regarded with a spirit of hopefulness.

Late Senator Thorne

Hardware and Metal.

The death of Hon. William Henry Thorne removes a well-known and popular figure from Federal politics. One who has been closely associated with him in political circles stated: "Senator Thorne was one of those forces whose influence was exercised more through contact with his fellows than through speeches made from his place in the Red Chamber. When he did speak, however, it was with authority, as his ripe judgment and business acumen lent to his public utterances an undoubted distinction. He was a Conservative of the Macdonald school and his reminiscences of political battles of days long past in New Brunswick always secured for him an appreciative audience."

Senator Thorne was of an old Maritime Province family, of United Empire Loyalist stock on both his father's and his mother's side. His father was Edware L. Thorne, for many years a leading business man in St. John, whose family had come from New York along with other loyalists at the close of the Revolutionary War, first settling in Granville, N.S. His mother was Susan Scovil, whose ancestors also settled in New Brunswick following the revolutionary struggle.

He was born at St. John on September 12, 1844, and was educated at the St. John schools and at Rev. Charles Lee's private school and grammar school. In 1862 he started his business career as a clerk in the employ of W. H. Scovil, a year later joining the W. H. Adams' staff, going in 1864 to J. and F. Burpee and Company, where he remained for three years mastering the details of the business which he later made his career.

In 1867 he started in business for himself, founding the iron and hardware business which later became the firm now known as W. H. Thorne and Co., Ltd., one of the most important wholesale and retail hardware houses in the Maritime Provinces. In 1873 he admitted R. C. Scovil into partnership, and on the latter's death a few years later, admitted two of his employes, Arthur T. Thorne and T. Carlton Lee, to form the firm of W. H. Thorne and Co., Ltd.

The history of the development of this firm during the past forty-six years is a tribute to the aggressiveness, ambition, and dogged spirit of its founder. Just as the fabulous bird Phoenix rose from its ashes to become virtually more powerful, so unto it may be likened the history of this business, which, despite the setbacks attendant with the days of destruction by fire in St. John, 1877, and subsequent loss by fire in the store in 1915, the business has reared itself and developed with steady and persistent growth, until, to-day, it is one of the most influential businesses in the Maritimes.

The past forty-six years have marked the growth of the business from the two-storey frame structure occupied on Market Street in 1877 to the present imposing store with its several distinct departments. The late Senator Thorne started his career as a clerk fifty-nine years ago and the great mercantile concern which he created stands as a monument to his ability, energy and persistence. Furthermore it is in itself a substantial tribute to another phase of his character—his ability to arouse the enthusiasm and loyalty of those with whom he has come in contact.

In connection with his many activities in business and public life Mr. Thorne founded the St. John Sun Printing Co. of which he was president. That newspaper, which was conducted in the Conservative interests, was a number of years ago incorporated with the St. John Daily Telegraph. Other business affiliations included directorship in the Eastern Trust Co., Iron and Hardware Association, St. John Bridge and Railway Co., Cornwall and York Cotton Mills Co., St. John Valley Railway Co., and the Royal Bank of Canada. He was also a director of the St. John Relief and Aid Society, vice-president of the Bay of Fundy Steamship Co., and president of the St. John's Citizens' League, and president of the Thorne Wharf and Warehousing Co., Ltd.

Apart from his business Senator Thorne was prominent in many other fields, having been president of the St. John Board of Trade for two years, and having taken an active part in the work of the Victory Loan campaign in 1917. He was called to the Senate in July, 1913.

The late Senator Thorne also had connections of a military nature, having served as a lieutenant in Colonel Thurgar's Rifle Brigade, retiring with the rank of Captain.